

SANTA BARBARA

THE AMERICAN RIVIERA®

Special Telephonic Board of Directors Meeting

Thursday, April 16, 2020 8:30am – 9:30am

Call-in Number: (805) 334-5852

AGENDA

Action Items

1. Call to Order- *Roll Call* Tom Patton
2. Antitrust Compliance Tom Patton
3. Public Comment- Including items on the agenda and not on the agenda
(3 minutes per member of the public) Members of the Public
4. Approval of Agenda Tom Patton
Recommended Action: Approve Agenda as presented. *-Roll Call*
5. Approval of Minutes of February 20, 2020 Meeting Tom Patton
Recommended Action: Approve Minutes as presented. *-Roll Call*
6. Approval of January 2020 Financial Reports Dan Glaeser
Recommended Action: Approve January 2020 Financial Reports as presented. *-Roll Call*
7. Approval of February 2020 Financial Reports Dan Glaeser
Recommended Action: Approve February 2020 Financial Reports as presented. *-Roll Call*
8. Approval of FY 2018/2019 Audit Dan Glaeser
Recommended Action: Approve FY 2018/ 2019 Audit. *-Roll Call*
9. Approval of Board Resolution to apply for and secure funding for COVID-19 Tom Patton
related loans and grant Kathy Janega-Dykes the ability to negotiate and execute loan documents encumbering
Visit Santa Barbara for an amount up to \$2mil and an interest rate not to exceed 6%.
Recommended Action: Approve application of COVID-19 related loans per the stipulations noted above. *-Roll Call*
10. Approval of Proposed FY 20/21 Board of Directors Slate Warren Nocon
Recommended Action: Approve FY 20/21 Board of Directors Slate as presented. *-Roll Call*

Discussion Items

11. COVID-19 Impact Kathy Janega-Dykes
Recommended Action: Discuss the impact to the Santa Barbara hospitality industry, the next steps for
Visit Santa Barbara and review of Visit Santa Barbara's funding opportunities.
12. Local Business Promotion JessyLynn Perkins
Recommended Action: Report how Visit Santa has pivoted in response to the COVID-19 pandemic
and shifted our focus to the local community needs.
13. Hotel Data Report James Minton
Recommended Action: Review the local lodging performance over the past three weeks.

14. Community Reports

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Recommended Action: This portion of the meeting is reserved for each entity listed below to provide a brief update.

- Hospitality Santa Barbara Tom Patton
- City of Santa Barbara Councilmember Gutierrez
- Goleta Chamber of Commerce Kristen Miller
- Santa Barbara Airport Deanna Zachrisson

15. President's Report Kathy Janega-Dykes

Recommended Action: The President/ CEO will provide updates on Visit Santa Barbara's Operations and Marketing items that are not included on the agenda.

16. Good of the Orders Tom Patton

Recommended Action: This portion of the meeting is reserved for the Board of Directors to make recommendations for future board meeting agenda items.

17. Adjourn

Next Board Meeting: THURSDAY, 5/21/2020 8:30am - 10:00am **Location:** Visit Santa Barbara

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heard at the meeting as noted on the agenda. Comments on controversial items may be limited and large groups are encouraged to select one or two speakers to represent the opinion of the group. The order of Agenda items is listed for reference and may be taken in any order deemed appropriate by the Committee. The Agenda provides a general description and staff recommendations; however, the Committee may take action other than what is recommended.

BROWN ACT NOTICE: Government Code 54950 (The Brown Act) requires that a brief description of each item to be transacted or discussed be posted at least 72 hours prior to a regular meeting. Action may not be taken on items not posted on the agenda. Meeting facilities are accessible to persons with disabilities. If you require special assistance to participate in the meeting, notify Angelica Ramirez at 805-966-9222 at least 48 hours prior to the meeting.

ANTITRUST COMPLIANCE POLICY

It is the policy of Visit Santa Barbara (VSB) to fully comply 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 members of VSB and by representatives of any members of the organization.

At any meeting of the membership of VSB or any committees of VSB, or at any meeting where any employee of the organization is present or where VSB 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 members, 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 members covering increases or reductions in capacity or 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.*

MISSION

The primary mission is to enhance the economies of the City of Santa Barbara, South Coast communities and Santa Barbara County areas through tourism marketing that increases business revenue, tax revenue and creates jobs.

VISION

The Corporation is acknowledged by the entire community and its leaders as the indispensable organization for forging public / private partnerships and coalitions to promote our destination, increase visitor spending and sustain the outstanding quality of life in Santa Barbara County.

VISIT SANTA BARBARA COMMITTEES

- TBID Committee- Barry Dorsey, Chair
- Audit Committee- Dan Glaeser, Chair
- Marketing Committee- Skip Abed, Chair
- Sales Advisory Committee- Chris Inman, Chair

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Meeting Minutes FY 2019- 2020 Board of Directors Meeting Thursday, April 16, 2020

Attending: Aaron Ide, Andrew Firestone, Barry Dorsey, Chris Inman, Colleen Huther, Dan Glaeser, Katie Grassini, Kristen Miller, Kristen Weidemann, Luke Swetland, Michael Cohen, Rick Boller, Robin Gose, Sarah York Rubin, Sherry Villanueva, Skip Abed, Steven Janicek, Terri Bowman, Tom Patton, Warren Nocon, Deanna Zachrission, Councilman Oscar Gutierrez

Absent: Denise Spain

Staff: Kathy Janega-Dykes, James Minton, JessyLynn Perkins, Noelle Buben, Beth Olson, Karna Hughes, Shantel Rowe, Janet Ames

Location: UberConference Call, Call-in Number: (805) 334-5852

1. Call to Order

Tom Patton called the meeting to order at 8:33am.

2. Antitrust Compliance

It is the policy of Visit Santa Barbara to fully comply with the laws of the United States and the State of California.

3. Public Comment

N/A

4. Approval of Agenda

Tom Patton called for a motion to approve the agenda of the April 16, 2020 Board meeting; Barry Dorsey moved to approve; Skip Abed seconded; and the motion was passed unanimously.

5. Approval of Minutes of the February 20, 2020 Board Meeting

Tom Patton called for a motion to approve the minutes of the February 20, 2020 Board meeting; Luke Swetland moved to approve; Robin Gose seconded; and the motion was passed unanimously.

6. Approval of the January 2020 VSB Financial Reports

Dan Glaeser reported on January finances. Research and Visual Assets for the month were higher than usual causing \$135k loss, with a difference of \$33k from the budget, and \$113k better than budget year-to-date.

Tom Patton called for a motion to approve the January 2020 VSB financials; Sarah York Rubin moved to approve; Michael Cohen seconded; and the motion was passed unanimously.

7. Approval of the February 2020 VSB Financial Reports

Dan Glaeser shared that there was little revenue from the city in February with \$8k. Overall, financials were above for the year-to-date. Expenses were at are \$106K, which is less than budget due to a reduction in advertising. Net income had a slight profit, which was \$92K better than what was budgeted and \$205k than the year-to-date budget.

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Tom Patton called for a motion to approve the February 2020 VSB financials; Barry Dorsey moved to approve; Aaron Ide seconded; and the motion was passed unanimously.

8. **Approval of FY 2018/2019 Audit**

Dan Glaeser acknowledge Janet Ames in providing timely updates with cash-flow and noted many adjustments have been made to reduce expenses. The Executive Committee is continuing to monitor cash flow as expenses are continually changing. Dan stated the FY 2018/2019 Audit was conducted by a new auditor in order to demonstrate transparency. The audit came out clean and auditor provided four topics of recommendations including: How to allocate expenses against certain incomes; Credit card documentation specifically related to alcohol purchase; Timecard management; and Process for payroll and severance for one-time events. Dan noted he would like to set a motion for a Page 9 edit to Audit Report t to correct our classification to 501(c)(6) in place of a 501(c)(3).

Tom Patton called for a motion to approve the FY 2018/2019 Audit contingent to a Page 9 edit on classification 501(c)(6); Barry Dorsey moved to approve; Terri Bowman seconded; and the motion was passed unanimously.

9. **Approval of Board Resolution to apply for and secure funding for COVID-19 related loans and grant Kathy Janega-Dykes the ability to negotiate and execute loan documents encumbering Visit Santa Barbara for an amount up to \$2mil and an interest rate not to exceed 6%.**

Kathy Janega-Dykes stated that Visit Santa Barbara has applied for the EIDL Loan but has not yet received any confirmation on this yet. VSB is working to lobby the federal government to increase the stimulus funding, and noted that 501(c)(6)s are prohibited from applying for certain grants.

Tom Patton called for a motion to approve Board Resolution to apply for and secure funding for COVID-19 related loans and grant Kathy Janega-Dykes the ability to negotiate and execute loan documents encumbering Visit Santa Barbara for an amount up to \$2mil and an interest rate not to exceed 6%; Skip Abed moved to approve; Dan Glaeser seconded; and the motion was passed unanimously.

10. **Approval of Proposed FY 20/21 Board of Directors Slate**

Warren Nocon shared the proposed FY 20/21 Board of Directors Slate including Mitchell Sjerven (Bouchon Restaurant), Dean Noble (Elings Park), Steve Windhager (Santa Barbara Botanic Garden), Greg Gorga (Santa Barbara Maritime Museum), and Kyle Oliver (Sandpiper Golf Course). Kathy Janega-Dykes reported it is also proposed that Steven Janicek (The Ritz-Carlton Bacara, Santa Barbara) stay on the Board; Warren Nocon (Hotel Californian) would serve as Chair; and Barry Dorsey (The Kimpton Goodland Hotel) would continue as TBID Chair.

Tom Patton called for a motion to approve Proposed FY 20/21 Board of Directors Slate; Robin Gose moved to approve; Michael Cohen seconded; and the motion was passed unanimously.

11. **COVID-19 Impact**

Kathy Janega-Dykes introduced the various ways Visit Santa Barbara has responded and adapted to the COVID-19 Pandemic. To preserve the organization and liquid assets necessary for the eventual

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recovery efforts, Visit Santa Barbara has laid off 5 employees, reduced salaries for the CEO, Vice President, Directors, and Management positions, received reduction in property rent, as well as cancelled marketing contracts, bringing additional work in-house. Cash flow projections through September 30, 2020 are regularly being updated and shared. With funding as a priority, VSB has requested annual city funding starting in July (1.4 million), and has applied for the EIDL Loan, and are looking into opportunities for Community Development Block Grants. Kathy noted that VSB's efforts are preparing for industry changes once it's safe to travel again.

12. **Hotel Data Report**

James Minton recapped important dates in March leading up to today's current state revolving around COVID-19. The impact in travelers' behavior as noted in the STR Report shows that Santa Barbara County hotels reached their lowest occupancy rate during the middle of March (13% occupancy; based on actual total rooms available in the market); this has remained relatively constant since. Supply has fallen as 17 known properties are temporarily closed, representing 20% of inventory across the destination. Rates have fallen by 50% year-over-year; this has since stabilized and rates for some properties are beginning to slowly rise. These behaviors impacts TBID collections which will fund recovery efforts, as well as impacts the government with their ability to fund services based on TOT collections. It was noted that the cash flow projections assume maintaining occupancy of 10% of original available supply throughout July. James proposed writing a quarterly plan, versus annual, to better allow for the monitoring of the market and greater understanding of finances. Last weeks' Traveler's Sentiment Reports showed themes supportive of bringing American travelers to Santa Barbara once regular travel is allowed again. The study noted that travelers will be most interested in taking regional road trips, and their ideal first trip will be to beach destinations and resorts, followed by small towns, village, and rural destinations.

13. **Local Business Promotion**

JessyLynn discussed how VSB is utilizing channels to support businesses during this time as well as generate interest in travel to Santa Barbara in the future. Normal messaging has been shifted, and VSB is now engaging with locals by highlighting ways to support the community and allowing fans to experience Santa Barbara virtually. JessyLynn shared that this shift in messaging will continue until safety concerns have been lifted and it is allowed to welcome visitors back to Santa Barbara. The website is being updated constantly with content related to COVID-friendly activities. Kathy added that VSB has launched a series of webinars to share relevant information and findings to members. She mentioned that Visit California is also preparing a recovering strategy focusing on in-state travel. Santa Barbara is well positioned to capture that market.

City councilmember Oscar Gutierrez suggested the forming of a COVID-19 Economic Recovery Task Force and requested anyone reach out to him with any ideas or suggestions.

Michael Cohen questioned the use of contingency funds. Kathy noted that it is proposed these funds are not spent at this time but be preserved for future recovery efforts; Dan Glaeser stated his agreement. Michael noted his appreciation of Visit Santa Barbara's support, sharing of information and assistance in future planning during these times.

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14. **Community Reports**

- **Hospitality Santa Barbara**

Tom Patton noted that Hospitality Santa Barbara hosted a Board meeting is rescheduling their Annual General Meeting to the later part of the year.

- **City of Santa Barbara**

N/A

- **Goleta Chamber of Commerce**

Kristen Miller stated that Go Goleta has paused as there were no reserves of TBID funds. The Goleta Chamber of Commerce is featuring weekly inspirational posts on their social media and constantly updating their website. Kristen stated that TOT is the largest source of revenue for the City of Goleta so the lower occupancy rates will severely negatively affect their funding; however, they have a significant amount of financial reserves and contingency funds. Kristen stated that the Goleta Chamber has initiated many programs directly related to the hospitality industry in response to COVID-19, as well as planning for relief efforts in the future.

- **Santa Barbara Airport**

Deanna Zachrisson summarized the latest updates for the Santa Barbara Airport. Traffic is down 96%, reporting 45-75 passengers a day. With passenger activity representing 60% of revenue, staffing reductions were made. Recovery is predicted to take around two years. Short-term cash flow is also affected by City of Santa Barbara's Temporary Eviction Moratorium, as many tenants on Santa Barbara Airport property qualify for rent deferrals. Deanna mentioned that airports are benefactors of the CARES Act in which the Congress appropriates 10 billion dollars to airports.

15. **President's Report**

Kathy Janega-Dykes thanked the Board for their leadership and insights. She acknowledged Janet Ames who has greatly extended her responsibilities during this time.

16. **Other business**

N/A

17. **Adjourn**

With no other business, the meeting was adjourned at 9:49am.

Minutes approved by:

Luke J. Swetland, Secretary
Visit Santa Barbara Board of Directors

Date

May 21, 2020