

SANTA BARBARA

THE AMERICAN RIVIERA®

Executive Committee Meeting

Thursday, July 9, 2020 from 8:00am - 9:00am
Zoom Meeting ID: 981 1358 9814

MISSION

We inspire overnight travel to the Santa Barbara South Coast in order to enhance the community's economy and quality of life.

DESTINATION VISION

Santa Barbara is a distinctly beautiful place, where travelers come for a personal experience that relaxes, delights and inspires.

AGENDA

Action Items

1. Call to Order- *Roll Call* Warren Nocon
2. Antitrust Compliance Warren Nocon
3. Public Comment- Includes items on the agenda and not on the agenda
(3 minutes per member of the public) Members of the Public
4. Approval of Agenda Warren Nocon
Recommended Action: Approve Agenda as presented. -*Roll Call*
5. Approval of Minutes of June 11, 2020 Meeting Warren Nocon
Recommended Action: Approve Minutes as presented. -*Roll Call*
6. Approval of May 2020 Financial Reports Dan Glaeser
Recommended Action: Approve May 2020 Financial Reports as presented. -*Roll Call*

Discussion Items

7. Q1 Budget Update and Cash Flow Forecast Janet Ames/Dan Glaeser
Recommended Action: Review Q1 Budget updates focused on TBID income, advertising expenses, and salaries; as well as examine revenue, operation expenses, program expenses and loan funds as presented in the Cash Flow Forecast.
8. Welcome New Executive Committee Members Warren Nocon
Recommended Action: Welcome new members of the Executive Committee: Steven Janicek of The Ritz-Carlton Bacara Santa Barbara, Dr. Robin Gose of MOXI, The Wolf Museum of Exploration + Innovation, and Luke Swetland of Santa Barbara Museum of Natural History
9. Board of Directors Open Vacancy and Addition of Ex Officio Board Member Warren Nocon
Recommended Action: Discuss vacant position for VSB Board of Directors, as well as addition of Ex Officio Board Member Kristen Miller of Santa Barbara South Coast Chamber of Commerce.
10. Hospitality Heroes Kathy Janega-Dykes
Recommended Action: Share overview of the weekly contest acknowledging hospitality heroes.
11. Visit Santa Barbara Membership Update Kathy Janega-Dykes
Recommended Action: Provide updates on membership renewals for FY 2020-2021, including number of members that have paid, requested a payment deferral or cancelled membership.
12. Visitor Center Updates Kathy Janega-Dykes
Recommended Action: Share updates on the reopening plan for Santa Barbara Visitor Centers.

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13. 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.
14. Good of the Order Warren Nocon
Recommended Action: This portion of the meeting is reserved for the Executive Committee to make recommendations for future Executive Committee agenda items.
15. Adjourn

Next Board Meeting: THURSDAY, 7/16/2020 at 8:30am **Next EC Meeting:** THURSDAY, 9/10/2020 at 8:00am

NOTICE TO PUBLIC: You are welcomed and encouraged to participate in this meeting. Public comment is taken (3 minutes maximum per person) on items listed on the agenda when they are called. Public Comment on items not listed on the agenda will be 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 Shantel Rowe at 805-966-9222 at least 48 hours prior to the meeting.

ANTITRUST COMPLIANCE POLICY

It is the policy of Visit Santa Barbara 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 the Bureau and by representatives of any members of the Bureau.

At any meeting of the membership of VSB or any committees of VSB, or at any meeting where any employee of VSB 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.*

Visit Santa Barbara Committees

Audit Committee- Dan Glaeser, Chair

TBID Committee- Barry Dorsey, Chair

Marketing Committee- Dr. Robin Gose, Chair

Sales Advisory Committee- Chris Inman, Chair

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Meeting Minutes FY 2020-2021 Executive Committee Thursday, July 9, 2020

Attending: Warren Nocon, Steven Janicek, Dan Glaeser, Luke Swetland, Dr. Robin Gose, Barry Dorsey, Tom Patton
Absent: N/A
Staff: Kathy Janega-Dykes, Janet Ames, Shantel Rowe
Location: Zoom Meeting ID: 981 1358 9814

1. Call to Order

Warren Nocon called the Executive Committee meeting to order at 8:04 am.

2. Antitrust Compliance

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

3. Public Comment

No public comment.

4. Approval of Agenda

Warren Nocon called for a motion to approve the agenda of the July 9, 2020 Executive Committee meeting; Dan Glaeser moved to approve; Tom Patton seconded; and the motion was passed unanimously.

5. Approval of Minutes of June 11, 2020 Meeting

Warren Nocon called for a motion to approve the minutes of the June 11, 2020 Executive Committee meeting contingent to an edit noting covenants for loans; Barry Dorsey moved to approve; Dr. Robin Gose seconded; and the motion was passed unanimously.

6. Approval of the May 2020 VSB Financial Reports

Dan Glaeser reviewed the income statement and balance sheet for May 2020. The balance sheet showed that overall cash is up, while receivable and payables were down, as well as total equity. The income statement showed that revenue was down only 50%. Expenses have been reduced with numerous events cancelled, and salaries continue to be reduced. Advertising is down 20% compared to updated TBID budget. There was \$58k decrease in profit overall.

Warren Nocon called for a motion to approve the May 2020 VSB financials; Barry Dorsey moved to approve; Dr. Robin Gose seconded; and the motion was passed unanimously.

7. Q1 Budget Update and Cash Flow Forecast

Janet Ames shared the updated budget, along with a side-by-side comparison to the original Q1 budget. Janet reviewed the changes made, which incorporated numbers due to higher occupancy, increased City funds and larger membership dues than previously anticipated.

Kathy Janega-Dykes discussed income projections, stating that we are pacing better than originally projected two months ago, but will need to make modifications and will continue to update on a regular basis. Janet highlighted that the updated budget proposed that staff salaries be increased back to normal level beginning in August. Kathy explained that not only were staff numbers reduced and the remaining staff had to absorb more staff responsibilities, but salaries were also reduced for Directors and Managers in April. Fortunately,

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revenue has since increased to be able to support normal staff salaries. Numerous members of the Executive Committee team shared that they agreed with this proposal with the caveat that adjustments may need to be made again in the future.

Barry Dorsey asked about hotel performance and Kathy explained that the hotel performance report showed occupancy rates were lower than originally projected for the Fourth of July, there was a decline in weekend business, and no return in business mid-week. Kathy explained this would be explained further by James Minton during next week's Board of Directors meeting.

Janet continued to review the updated budget. She noted that rent had been updated to reflect the full amount, versus the amount currently being paid while the remaining amount is being deferred. In regards to programs, spending for brand and the visitor magazine has increased, as well as destination marketing contract which is applied to the Go Goleta program and increases with the TBID percentages. Industry relations has increased due to the adoption of the CHLA membership for all hotel properties. Research and sales have decreased due to negotiated prices for services and cancelled events. TBID Contingency has been moved to advertising based on the Executive Committee's approval from the prior meeting.

Next, the 18-month cash flow projections were reviewed. Janet explained to new committee members that TBID funds are received 2-months after the fact, meaning TBID funds generated in May will be received in July. She also explained that city funds are received on a quarterly basis. The report also shows the various loans we are due to receive including the EIDL advance, SBA loan and American Riviera loan, as well as the appropriate loan payments. In regards to the American Riviera loan, Kathy asked Dan Glaeser if he advises on spending the amount sooner. Dan said that shouldn't be a concern, but did caution to watch where we are with covenants and watch covenant marks. Warren Nocon suggested adding a covenant indicator to the report to show how close we are to crossing that threshold. Dan agreed with this idea, while keeping in mind that the covenant is being tested at a point in time.

Steven Janicek questioned if the staff would be back in the office once the full rent is reinstated. Kathy shared her thoughts about the staff potentially transitioning back to the office beginning in September, with a hybrid model allowing for alternating days for staff to be in the office. Dr. Robin Gose shared how MOXI, The Wolf Museum of Exploration + Innovation's staff is returning to the office, considering maximum occupancy and necessity of some staff members to be inhouse due to their roles. Steven also suggested negotiating a reduction in rent.

8. Welcome New Executive Committee Members

Warren Nocon welcomed new members of the Executive Committee which include Steven Janicek of The Ritz-Carlton Bacara Santa Barbara as Vice Chairman, Dr. Robin Gose of MOXI, The Wolf Museum of Exploration + Innovation as Marketing Chair, and Luke Swetland of Santa Barbara Museum of Natural History as Secretary.

9. Board of Directors Open Vacancy and Addition of Ex Officio Board Member

Warren Nocon shared that there is one vacant position on the Board of Directors, which is a hotelier position with the term date through 2022. Kathy asked the committee to please share if any committee members had any suggestions or if any hoteliers have shared interested in joining the Board. Barry suggested Robert Dixon at Hotel Milo and Kathy noted that would be a good option, or having him serve on the TBID Committee. Kathy also noted that the Board will vote on the addition of Kristin Miller of the Santa Barbara South Coast Chamber of Commerce as an Ex Officio member of the Board.

10. Hospitality Heroes

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Kathy Janega-Dykes shared that there have been some negative community sentiment about marketing tourism which we are trying to counter by being public about our responsibility tourism marketing initiatives. These initiatives include How to Be A Healthy Traveler guide on the website for tourists, tool kit of the hospitality industry providing tools on how to market to the visitor showcasing safety protocols, and generating imagery businesses can use for signage.

Kathy explained that the new Hospitality Heroes program was created by Karna Hughes, who will describe the program more in depth during the Board meeting. Hospitality Heroes will be a weekly contest aimed to recognize front line hospitality workers. The program will run for five week and members of the community can nominate a hospitality worker or group, acknowledging those who have supported healthy and safety behaviors related to COVID-19.

11. Visit Santa Barbara Membership Update

Kathy Janega-Dykes shared updates on the Visit Santa Barbara Membership renewals. Currently, 73 members have paid, which total to \$26,850.90 of revenue. There have ben 13 members who have requested to defer payments for 6-month, and 7 canceled memberships, which include 4 closed businesses, as well as Barden merging with the Margerum Tasting Room. There are 172 members who did not provide a response. Tom Patton suggested mailing out a physical copy of the invoice.

12. Visitor Center Updates

Kathy Janega-Dykes shared that the Visitor Center is scheduled to open next week. The appropriate personal protective equipment has been obtained, staff has been hired and hours will be reduced. The Visitor Center will be a great resource for visitors, especially with business guidelines pertaining to COVID-19 including safety protocols, providing information on what businesses are open, and what attractions now need reservations, among other information.

13. President's Report

N/A

14. Other Business

N/A


15. Adjourn

With no other business, the meeting adjourned at 9:08 a.m.

Minutes approved by:



Luke J. Swetland, Secretary
Visit Santa Barbara



Date