

SANTA BARBARA

THE AMERICAN RIVIERA®

Executive Committee Meeting

Thursday, January 14, 2021 from 8:00am - 9:00am

Zoom Meeting ID: 945 0468 5614

Zoom Passcode: VSB2021

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 November 12, 2020 Meeting Warren Nocon
Recommended Action: Approve Minutes as presented. -*Roll Call*
6. Approval of November 2020 Financial Reports Dan Glaeser
Recommended Action: Approve November 2020 Financial Reports as presented. -*Roll Call*

Discussion Items

7. Southwest Airlines Launch Update Kathy Janega-Dykes
Recommended Action: Receive an update on Southwest Airlines launch in Q2.
8. Santa Barbara South Coast Chamber Advocacy Efforts Tom Patton
Recommended Action: Highlight advocacy efforts led by Santa Barbara South Coast Chamber to reopen businesses.
9. Impact of Regional Stay at Home Order Kathy Janega-Dykes
Recommended Action: Discuss the impact of the regional Stay at Home order on hospitality businesses.
 - Hotel Performance
 - Business Closures
10. 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.
11. 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.
12. Adjourn

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Next Board Meeting: THURSDAY, 01/21/2021 at 8:30am **Next EC Meeting:** THURSDAY, 02/11/2021 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, January 14, 2021

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: 945 0468 5614

1. Call to Order

Warren Nocon called the Executive Committee meeting to order at 8:02 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 January 14, 2021 Executive Committee meeting; Tom Patton moved to approve; Dan Glaeser seconded; and the motion was passed unanimously.

5. Approval of Minutes of November 12, 2020 Meeting

Warren Nocon called for a motion to approve the minutes of the November 12, 2020 Executive Committee meeting; Luke Swetland moved to approve; Dr. Robin Gose seconded; and the motion was passed unanimously.

6. Approval of the November 2020 VSB Financial Reports

Dan Glaeser reviewed the financial reports for November 2020. Cash was down \$123k from the previous year. Dan noted we have been paying down debt and minimizing interest expenses. Receivables were down slightly, prepaid expense were down, as well as payables. Dan drew attention to the American Riviera Loan and SBA Loan line items, and also noted that we qualify for PPP loans which we will be applying to receive. Kathy Janega-Dykes added that those businesses that did not receive the loan during first series of PPP loans can apply during the second draw, so we will be applying for that as well. Janet Ames confirmed the first draw would be around \$218,000. Looking at the Income Statement, income was ahead of budget in November. Dan pointed out the non-reoccurring Air Service Development expense to host the Southwest Airlines. He acknowledged the team's ability to strategically increase marketing as revenue increases. Looking at the Cash Flow Projection, Dan drew attention to the line of credit and loan available and considering how we are using them and how we might use them in the future. Kathy added that the savings we're seeing in Advertising expenses are greater than what the income would be at this time of year. Janet reviewed the line of credit and loans we have available. Dan summarized that all of the covenants are in compliance and will continue to be in compliance based on the Cash Flow Projection. He noted there is plenty of liquidity we can rely on if needed.

Tom Patton asked Kathy if she anticipates to fully utilize the office once offices are allowed to reopen. Kathy responded that she predicts the staff will initially adapt a hybrid model, asking staff members to go into the office only on certain days. She noted that some DMOs are closing their offices completely but most continue

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to value the importance of personal interaction and meeting with team members in the office setting. Janet confirmed the lease expires in December 31, 2022.

Warren Nocon called for a motion to approve the November 2020 VSB financials; Dr. Robin Gose moved to approve; Tom Patton seconded; and the motion was passed unanimously.

7. Southwest Airlines Launch Update

Kathy Janega-Dykes shared that Southwest Airlines is on schedule to launch service in Santa Barbara at the beginning on Q2. Details on the routes and frequencies are expected to be announced in either late-January or early-February. Kathy shared that service will likely launch in April, which will be in good timing since leisure travel is predicted to be allowed again at that time. She noted that Southwest Airlines is making a strong effort to be a part of the community, and work closely with our team to collaborate on paid advertising and creative, using James Minton as the point of contact for Santa Barbara. Kathy stated that she is in contact with Southwest Airlines' Community Relations department which has a strong interest to connect with nonprofit organizations in the community and offer non-monetary resources to them. Visit Santa Barbara is also in contact with other destinations that have recently acquired Southwest Airlines service to learn best practices for working with the airline. Kathy added that the Third Night Free Campaign has also been extended through June 30, 2021 which will be supported with the Southwest Airlines launch in the months prior.

8. Santa Barbara South Coast Chamber Advocacy Efforts

Tom Patton discussed the Santa Barbara South Coast Chamber's advocacy efforts through a newly launched media campaign. The campaign is featured in both print and digital media all throughout Santa Barbara County and aims to highlight how the shutdown is affecting employees as individuals. The campaign features images of various employees in the hospitality industry, from servers to housekeepers to spa employees, and urges people to call their elected officials to advocate for reopening businesses. Tom expressed that the shutdown is not working as intended as COVID-19 cases continue to spike and noted that the workplace is a controlled, safe and clean environment for employees.

Kathy Janega-Dykes agreed that there is no data to support the need to close these businesses. She mentioned that she is on the Executive Committee for Cal Travel Association and that they are also taking part in a PR Campaign for advocacy efforts. They are asking for a projected date of when hotels can reopen for leisure, and when meetings can be allowed so that these businesses can prepare for the future and accept future bookings.

Tom shared that the campaign has been receiving positive feedback. The Chamber notified elected officials prior to launching the campaign and also stated that they understood the need for the campaign and predicament of the employees in the hospitality industry. Kathy shared that Kristen Miller is scheduled to present the creative at the January Visit Santa Barbara Board meeting.

Tom also shared that hotel employees are set to receive the COVID-19 vaccine in Phase 1B, Tier 2 between February and March 2021. Santa Barbara Hilton Beachfront Resort is being looked at as a mass vaccination site in Santa Barbara. The County will do a walk-through next week to see if the location would work for this purpose. Warren Nocon volunteered the Hotel Californian as a secondary-site for mass vaccinations if needed. He also asked the details of the process for vaccinating furloughed hotel employees specifically, and Tom responded that he would look into finding more information regarding this.

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Tom discussed that there has been great progress with the homeless encampments. He stated there has been a lot of support from the City and County and shared his appreciation for Kathy's efforts in initiating regional action plan meetings. Although COVID-19 creates challenges in clearing up homeless encampments, there has been a lot of momentum recently during these weekly meetings, as 30- and 60-day goals are put into place.

9. Impact of Regional Stay at Home Order

Kathy Janega-Dykes shared that according to the STR Report, demand decreased 390 rooms per night across the TBID, causing occupancy to be at 30%. The week prior there was a little bit of an increase due to the New Year's holiday, with occupancy at around 37%. We are aware of 12 properties that are currently closed, a significant decrease from the 23 properties that chose to close during the Spring when leisure travel was not permitted as well. Kathy reported that inventory is down 960 rooms (18%). She noted that James Minton would share a more detailed hotel performance report at the January Board of Directors meeting.

10. President's Report

Kathy Janega-Dykes and the Executive Committee discussed the option of postponing the Board Meeting due to the Presidential Inauguration on the day prior. The Executive Committee decided to keep the original date of the Board Meeting to maintain attendance including guest speaker Supervisor Gregg Hart.

Kathy announced that Councilmember Mike Jordan has been assigned the Visit Santa Barbara Board of Director's City Council Liaison in place of Council Member Oscar Gutierrez effective during the January Board Meeting on January 21, 2021.

Also, during the January Board of Directors Meeting, Kathy noted that Chris Cline, General Manager at the Kimpton Canary, will be nominated to resume the remainder of Colleen Huther's position (2021-2022).

Kathy then asked the Executive Committee's opinion on how to move forward with deferred membership dues. She reminded the committee that invoices were originally sent out in June 2020. Members were given the option to pay in July, or defer payments until January, in the hopes that businesses would be in a better situation financially at this time. Unfortunately, that is not the case with the current shutdowns. Kathy explained that we have prepared a very thoughtful email reminding those that asked to defer, that their payments are now due, but also give them the option to request to defer the payments longer. Dr. Robin Gose agreed that it would be appropriate to follow up with these members in regards to their deferred payments, noting it would provide an opportunity to strengthen our relationship with them, regardless of their decision to be able to pay now or need to defer payment longer. She added that some members may have already incorporated VSB membership fees into their budget. Warren Nocon agreed as well and added the importance of including a specific date for deferring payments even longer if needed, so that businesses can plan for this in their budget and VSB can also incorporate payments into our cash flow projections.

Next, Kathy discussed the Nomination Committee for incoming Board Members for the FY 2021-2022. She explained that as the incoming Chair, Steven Janicek would serve as the Chair of the Nomination Committee. Nominations will be presented to the Board of Directors during the March Board of Directors Meeting for approval. Kathy noted that there are 6 current Board members terming off in June 2021.

11. Other Business

Barry Dorsey thanked Tom Patton for providing a CHLA legal reference in regards to the American Disability Act (ADA). He shared that there is a law firm targeting hotels for ADA violations. Tom explained further that a firm called Center for Disability Access is currently pursuing lawsuits with hotels primarily, ensuring that they have full and very specific descriptions of accessibility features for their hotel on their website. Tom noted

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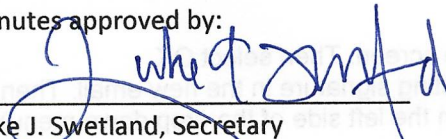
that they are starting to target hotels in the Santa Barbara area at this time and are asking for settlements of \$15,000-20,000. CHLA has arrangements with an attorney who will help defend these hotels named in the lawsuit. Tom thanked Kathy Janega-Dykes for sending out an announcement to all hotels in the Santa Barbara area regarding this issue.

Kathy also mentioned that the Audit Committee meeting is scheduled for early February and the Auditor will share his findings during the February Board of Directors Meeting.

12. Adjourn

With no other business, the meeting adjourned at 8:51 a.m.

Minutes approved by:



Luke J. Swetland, Secretary
Visit Santa Barbara

2/11/2021

Date