

CALL TO ORDER

The California Travel and Tourism Commission (Visit California) Executive Committee Meeting was held at 2 p.m. PST Monday, Oct. 21, 2015 in Dana Point, Calif., with Chairman Michael E. Rossi (Governor's Office) presiding.

Attendance

Michael E. Rossi (Governor's Office); Noreen Martin (Martin Resorts); Jeff Senior (Fairmont Raffles International); Gary Buffo (Pure Luxury Transportation); Michael Colglazier (Disney Resorts); Will Withington (Enterprise Holdings); Rusty Gregory (Mammoth Mountain Ski Area); James Bermingham (Montage Laguna Beach)

Also in attendance: Mike Gallagher (CityPass Inc); Sima Patel (Ridgemont Hospitality); Chuck Davison (Visit San Luis Obispo County); Panorea Advis (Governor's Office of Business and economic Development); Grace Arupo-Rodriguez (Governor's Office of Business and Economic Development); Scott Plamondon (Visit California); Caroline Beteta (Visit California); Matt Sabbatini (Visit California); Amber Luiz (Visit California)

Absent

Aaron Medina (The Hertz Corp.)

Motion to approve the July 20, 2015 Executive Committee minutes: Chairman Rossi asked that the minutes be revised to eliminate the second two paragraphs in the Open Discussion: Overall Governance section containing specific information on Visit California and the Office of Tourism's governance structure. Discussion was held by the committee regarding the July 20, 2015 meeting minutes, a motion was called and approval of the minutes was put on hold until the February meeting. The minutes will be reviewed again at the February Executive Committee.

Michael E. Rossi – Chairman (Governor's Office)

1. Governor Brown continues to be focused on climate change in California and globally, the progression of the high-speed rail and the drought and its impact on the State's economy

OFFICER REPORTS

Noreen Martin – Chief Fiscal Officer (Martin Resorts)

1. Aug. 31, 2015 Financial Report: Revenues of \$14.7 million are at 12.6 percent of budget, falling shy of the 17 percent indicator representing fiscal year time-passage. Management has performed a comparison of revenue receipts to date compared with their respective budgeted amounts, and extrapolated the indicator across all revenue sources to determine how Visit California is tracking against budgeted revenues. Actuals are in line with budgets for the first wave of FY15/16 billings, so the revenue shortfall appears to represent timing differences as opposed to collectability constraints. Collections to date are at 100.1 percent of projected revenue. Total marketing expenses YTD are at 2.8 percent of the annual budget. This reflects a timing difference between when media buys are actually made and the time period for which they were originally budgeted. Since Aug 31, Visit California

has had several large media buys totaling more than \$3.5 million. If compared to period-to-date internal budgeting, Visit California expenditures are on track. Total operations and assessment administration expenses are \$1.3 million, or approximately 11 percent of the budget that is recognized as overhead. The Administration and Overhead ratio is under budget through Aug. 31 and the projected Administration and Overhead budget for the full year is only at 10.84 percent of total revenue/budget. Most non-profits, DMOs and trade associations regularly spend 30 percent or more on Administration and Overhead.

- a. Motion by Commissioner Buffo to approve the Aug. 31, 2015 financial statements. Second by Commissioner Senior. Motion unanimously approved. No abstentions.

OTHER REPORTS

Caroline Beteta – President & CEO (Visit California)

1. Capital investment in tourism: In the past nine years, more than \$20 billion in new tourism capital has been invested in California. Tourism is driving traffic and changing the State's economics. Visit California hopes to capitalize on this and inspire travel by the luxury or super affluent segment to further impact the state. Visit California has dedicated \$2.7 million to luxury market-oriented campaigns.
2. Nominating Committee: The Nominating Committee met and is recommending Carla Murray (Starwood Properties) to fill one of the three vacancies in the accommodations space.
 - a. Motion by Commissioner Gregory to approve Carla Murray to fill an elected position in the accommodations sector. Second by Commissioner Bermingham. Motion unanimously approved. No abstentions.
3. RAND Study: Visit California asked the committee to approve a study to be commissioned from RAND Corp. The study will estimate the effects of changes in tourism demand on California's labor force to provide insight about who works in tourism in California, how these individuals' careers evolve and how either expansion or contraction of the industry will affect California's workforce and revenues, both in the short run and the long run. RAND has extensive experience with issues related to economic development and labor force issues in California, as well as nationally and globally. RAND will bring an objective, nonpartisan and analytical approach to this study. RAND's charter requires that its work be free from prior conditional approval by the client, and it will retain the ability to publish the results of this research with or without Visit California's approval. According to RAND, this contract term provides assurance of non-biased conclusions and truly independent results. While Visit California will not control the findings of the study, RAND's charter gives it legitimacy among elected officials, media and other opinion leaders and influencers. A positive result would provide an improved platform for the State's tourism industry to communicate "Why Travel Matters."
 - a. Motion by Commissioner Buffo to approve the funding to commission the study. Second by Commissioner Colglazier. Motion unanimously approved. No abstentions.

Sima Patel – Chair of the Audit Committee (Ridgmont Hospitality)

2015 EXECUTIVE COMMITTEE MEETING MINUTES

California Travel and Tourism Commission – October 21, 2015, Dana Point, California

1. *Audit Report: for the 18th year in a row, Visit California received an unqualified audit, which was reviewed by the Audit Committee and voted on last week.*
 - a. *Motion by Commissioner Bermingham to approve the audit report. Second by Commissioner Gregory. Motion unanimously approved. No abstentions.*
2. *CFO: Introduced Sonja Spowart as Visit California's new CFO. Discussion was held regarding the reporting structure, staffing resources, and outsourcing of items within the finance department. Chairman Rossi asked Visit California staff to report on the efficacy of the existing structure in six months.*
3. *The Audit Committee recommended that Moss Adams continue to prepare monthly bank reconciliations in addition to the 990 tax filing. RINA Accountancy will be engaged to review periodic financial statements in addition to the annual audit.*

OTHER MATTERS

Rusty Gregory – Commissioner, Chair of the Personnel Committee (Mammoth Mountain Resort)

Update on the Personnel Committee: The Personnel Committee annually reviews the accomplishments and compensation of the President and CEO. The Personnel Committee agreed upon a compensation package and is preparing an employment agreement. Visit California's Corporate Counsel and legal counsel for the Governor's Office of Business and Economic Development will discuss the implications of changes in the contract, if any.

AGENDA ITEMS FOR FUTURE MEETINGS

Chairman Rossi asked for agenda items for future committee meetings. There were none.

PUBLIC COMMENT

Chairman Rossi opened the floor for public comment. There were no public comments.

ADJOURNMENT

Motion by Commissioner Colglazier to adjourn the Executive Committee Meeting. Second by Commissioner Buffo. Motion unanimously approved. No abstentions.