

CALL TO ORDER

The California Travel and Tourism Commission (CTTC) Meeting was held in Pebble Beach, California at 9 am PST on October 14, 2016 16 with Chair Panorea Avdis (GoBIZ) presiding.

Attendance

Commissioner	Roll Call	Commissioner	Roll Call
<i>Avdis, Panorea (Chair)</i>	<i>Present</i>	<i>Martin, Noreen (Vice Chair-Operations)</i>	<i>Present</i>
<i>Beck, Paula</i>	<i>Present</i>	<i>Medina, Aaron</i>	<i>Absent</i>
<i>Birmingham, James (Vice Chair-Marketing)</i>	<i>Present</i>	<i>Meisner, Jordan</i>	<i>Present</i>
<i>Buffo, Gary</i>	<i>Absent</i>	<i>Mohrfeld, Lynn</i>	<i>Absent</i>
<i>Burba, Jim</i>	<i>Absent</i>	<i>Murray, Carla</i>	<i>Present</i>
<i>Colglazier, Michael</i>	<i>Present</i>	<i>Myers, Doug</i>	<i>Absent</i>
<i>Condie, Jot</i>	<i>Present</i>	<i>Patel, Sima (CFO/Treasurer)</i>	<i>Present</i>
<i>Fat, Kevin</i>	<i>Present</i>	<i>Plot, Cody</i>	<i>Present</i>
<i>Gallagher, Mike</i>	<i>Present</i>	<i>Schuster, Carl</i>	<i>Absent</i>
<i>Gregory, Rusty</i>	<i>Present</i>	<i>Senior, Jeff</i>	<i>Absent</i>
<i>Kelliher, John</i>	<i>Present</i>	<i>Webster, Benjamin</i>	<i>Present</i>
<i>King, Brian</i>	<i>Absent</i>	<i>Wiley, Xiomara</i>	<i>Present</i>
<i>King, Jeff</i>	<i>Present</i>	<i>Wirth, Andy</i>	<i>Absent</i>
<i>Klein, Tom</i>	<i>Absent</i>	<i>Withington, Will</i>	<i>Absent</i>
<i>Knight, Joe</i>	<i>Absent</i>	<i>Zanger, Gene</i>	<i>Present</i>

Motion by Commissioner Zanger to approve the February 24, 2016 California Travel and Tourism Commission minutes. Second by Commissioner Plot. Motion approved.

Commissioner	Vote (Y/N/A)	Commissioner	Vote (Y/N/A)
<i>Avdis, Panorea (Chair)</i>	<i>Yes</i>	<i>King, Jeff</i>	<i>Yes</i>
<i>Beck, Paula</i>	<i>Yes</i>	<i>Martin, Noreen (Vice Chair-Operations)</i>	<i>Yes</i>
<i>Birmingham, James (Vice Chair-Marketing)</i>	<i>Yes</i>	<i>Meisner, Jordan</i>	<i>Yes</i>
<i>Colglazier, Michael</i>	<i>Yes</i>	<i>Murray, Carla</i>	<i>Yes</i>
<i>Condie, Jot</i>	<i>Yes</i>	<i>Patel, Sima (CFO/Treasurer)</i>	<i>Yes</i>
<i>Fat, Kevin</i>	<i>Yes</i>	<i>Plot, Cody</i>	<i>Yes</i>
<i>Gallagher, Mike</i>	<i>Yes</i>	<i>Webster, Benjamin</i>	<i>Yes</i>

<i>Gregory, Rusty</i>	<i>Yes</i>	<i>Wiley, Xiomara</i>	<i>Yes</i>
<i>Kelliher, John</i>	<i>Abstain</i>	<i>Zanger, Gene</i>	<i>Yes</i>

CHAIR REPORT

Chair Avdis reported on the Governor’s priorities and outlook for California. Governor’s initiatives continue to be greenhouse gas reduction, sustainable freight, workforce development, international partnerships and high speed rail. Business is still a priority in the state and GoBiz continues to have the Governor’s support.

Tourism, manufacturing, biotech and the auto industry continue to be very successful industries in California. GoBiz helps all business types invest and ultimately choose California for their operations.

Chair Avdis also highlighted the Permit Assistance Unit at GoBiz which helps companies navigate between state and local permitting practices to facilitate business generation. GoBiz serves as the single point of contact to navigate the bureaucracy of the state and local governments. It also functions as the voice to the business community back to the Governor’s Office.

CEO REPORT

Visit California CEO Caroline Beteta started on the national front with Brand USA. Visit California is in the mid cycle of their programming with Brand USA in the form of a \$3 million LOA as their fiscal year begins in October. Visit California is the largest DMO cash partner of Brand USA.

Continuing with a country perspective the U.S. Travel Association is focused on three major initiatives including air travel, visa waiver and “Project: Time Off.” The major challenge with air travel over the summer are traveler wait times due to TSA and CBP staff shortages. Visa waiver faces headwinds with security concerns, but case studies such as South Korea’s acceptance into the program increases year-over-year travelers as much as 50 percent in one year. Project: Time Off is critically important for U.S. Travel to try and shift a cultural norm in the USA of not utilizing paid time off, hence not spending money on travel and tourism.

Lastly, Beteta introduced new President and CEO of Destination Marketing Association International (DMAI) Don Welsh (previously President and CEO of Choose Chicago) and recently hired EVP of Member Engagement Alison Best (previously Pres/CEO of Visit Oakland). California has a strong representation on the DMAI board. DMAI helps activate a national DMO strategy on a local level.

Stateside, California tourism generated \$122.5 billion of travel-related spending in the state in 2015. This represents the sixth consecutive year of record tourism spending in California. Tax revenue from travel spending was \$9.9 billion and 36,000 tourism jobs

were added in 2015. California continues to outpace the USA in key metrics in terms of ADR, occupancy and revenue per available room amongst others.

GUEST SPEAKER: CALIFORNIA SECRETARY OF AGRICULTURE KAREN ROSS

Secretary Karen Ross of the California Department Food and Agriculture thanked the tourism industry and Visit California for the partnership of “California, Always in Season.” She explained the vision for connecting all 77,000 agricultural producers in the state through the California Grown model. The “California, Always in Season” campaign to promote California Grown has garnered over 60 million impressions with only a \$1 million investment. The partnership with Visit California reinvigorated the California Grown program from six members to 23 and from 100 individual farms to now over 1,000 participating in the program. California Grown was established in 2001 as an opportunity to bring all agricultural commodities together through a \$5 million state government appropriation which only lasted one year. Then, California Grown received \$20 million through the special crop grant when Secretary Ross came into office.

NOMINATING COMMITTEE UPDATE

Beteta delivered the nominating committee update. Will Withington received a promotion and unfortunately will have to relinquish his board seat.

There are currently two elected vacancies. At the end of the fiscal year there will be an additional four elected vacancies vacated by the following:

Rusty Gregory
Lynn Mohrfeld
Jot Condie
Mike Gallagher

There are also five additional commissioners who are eligible for re-election that will be added to the ballot:

Noreen Martin
Michael Colglazier
Brian King
Xiomara Wiley
Carl Schuster

The following slate of candidates were agreed and voted upon by the nominating and executive committees starting with the re-election of candidates:

Noreen Martin
Michael Colglazier
Brian King
Xiomara Wiley

Carl Schuster

Motion by Commissioner Condie to approve the re-election candidates Noreen Martin, Michael Colglazier, Brian King, Xiomara Wiley and Carl Schuster. Second by Commissioner Gregory. Motion approved.

Commissioner	Vote (Y/N/A)	Commissioner	Vote (Y/N/A)
Avdis, Panorea (Chair)	Yes	King, Jeff	Yes
Beck, Paula	Yes	Martin, Noreen (Vice Chair-Operations)	Abstain
Birmingham, James (Vice Chair-Marketing)	Yes	Meisner, Jordan	Yes
Colglazier, Michael	Abstain	Murray, Carla	Yes
Condie, Jot	Yes	Patel, Sima (CFO/Treasurer)	Yes
Fat, Kevin	Yes	Plot, Cody	Yes
Gallagher, Mike	Yes	Webster, Benjamin	Yes
Gregory, Rusty	Yes	Wiley, Xiomara	Yes
Kelliher, John	Yes	Zanger, Gene	Yes

In the Rental Car segment, the Nominating and Executive Committee have voted to elect:

Susie Irwin, Vice President, Enterprise

Motion by Commissioner Colglazier to approve the nomination of Susie Irwin in the Rental Car segment. Second by Commissioner Plot. Motion approved.

Commissioner	Vote (Y/N/A)	Commissioner	Vote (Y/N/A)
Avdis, Panorea (Chair)	Yes	King, Jeff	Yes
Beck, Paula	Yes	Martin, Noreen (Vice Chair-Operations)	Yes
Birmingham, James (Vice Chair-Marketing)	Yes	Meisner, Jordan	Yes
Colglazier, Michael	Yes	Murray, Carla	Yes
Condie, Jot	Yes	Patel, Sima (CFO/Treasurer)	Yes
Fat, Kevin	Yes	Plot, Cody	Yes
Gallagher, Mike	Yes	Webster, Benjamin	Yes
Gregory, Rusty	Yes	Wiley, Xiomara	Yes
Kelliher, John	Yes	Zanger, Gene	Yes

In the Accommodations segment, the Nominating and Executive Committee have voted to elect:

- Michael Dunne, Area Vice President of Operations California, Hilton Worldwide
- Bobbie Singh-Allen, Executive Vice President & Chief Operating Officer, California Lodging Industry Association
- Steve Arnold, President & Chief Operating Officer, Pacific Hospitality Group
- John Arnett, Vice President Operations, Loews Hotels

Motion by Commissioner King to approve the nomination of Michael Dunne, Bobbie Singh-Allen, Steve Arnold and John Arnett in the Accommodations segment. Second by Commissioner Patel. *Motion approved unanimously.*

Commissioner	Vote (Y/N/A)	Commissioner	Vote (Y/N/A)
<i>Avdis, Panorea (Chair)</i>	<i>Yes</i>	<i>King, Jeff</i>	<i>Yes</i>
<i>Beck, Paula</i>	<i>Yes</i>	<i>Martin, Noreen (Vice Chair-Operations)</i>	<i>Yes</i>
<i>Birmingham, James (Vice Chair-Marketing)</i>	<i>Yes</i>	<i>Meisner, Jordan</i>	<i>Yes</i>
<i>Colglazier, Michael</i>	<i>Yes</i>	<i>Murray, Carla</i>	<i>Yes</i>
<i>Condie, Jot</i>	<i>Yes</i>	<i>Patel, Sima (CFO/Treasurer)</i>	<i>Yes</i>
<i>Fat, Kevin</i>	<i>Yes</i>	<i>Plot, Cody</i>	<i>Yes</i>
<i>Gallagher, Mike</i>	<i>Yes</i>	<i>Webster, Benjamin</i>	<i>Yes</i>
<i>Gregory, Rusty</i>	<i>Yes</i>	<i>Wiley, Xiomara</i>	<i>Yes</i>
<i>Kelliher, John</i>	<i>Yes</i>	<i>Zanger, Gene</i>	<i>Yes</i>

The Nominating and Executive Committee have voted to elect:

- Terry MacRae, CEO, Hornblower Cruises and Events

Motion by Commissioner Beck to approve the nomination of Terry MacRae in the Transportation and Travel Services segment. Second by Commissioner Murray. *Motion approved unanimously.*

Commissioner	Vote (Y/N/A)	Commissioner	Vote (Y/N/A)
<i>Avdis, Panorea (Chair)</i>	<i>Yes</i>	<i>King, Jeff</i>	<i>Yes</i>
<i>Beck, Paula</i>	<i>Yes</i>	<i>Martin, Noreen (Vice Chair-Operations)</i>	<i>Yes</i>
<i>Birmingham, James (Vice Chair-Marketing)</i>	<i>Yes</i>	<i>Meisner, Jordan</i>	<i>Yes</i>
<i>Colglazier, Michael</i>	<i>Yes</i>	<i>Murray, Carla</i>	<i>Yes</i>

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Condie, Jot	Yes	Patel, Sima (CFO/Treasurer)	Yes
Fat, Kevin	Yes	Plot, Cody	Yes
Gallagher, Mike	Yes	Webster, Benjamin	Yes
Gregory, Rusty	Yes	Wiley, Xiomara	Yes
Kelliher, John	Yes	Zanger, Gene	Yes

The Executive Committee also voted to put forward the following new Executive Committee members:

- Paula Beck, Avis Budget Group
- Ben Webster, Littler Mendelson
- Xiomara Wiley, Universal Studios Hollywood
- Gene Zanger, Casa De Fruta

Motion by Commissioner Condie to approve the nomination of Paula Beck, Ben Webster, Xiomara Wiley and Gene Zanger to the Executive Committee Second by Commissioner Murray. Motion approved unanimously.

Commissioner	Vote (Y/N/A)	Commissioner	Vote (Y/N/A)
Avdis, Panorea (Chair)	Yes	King, Jeff	Yes
Beck, Paula	Yes	Martin, Noreen (Vice Chair-Operations)	Yes
Birmingham, James (Vice Chair-Marketing)	Yes	Meisner, Jordan	Yes
Colglazier, Michael	Yes	Murray, Carla	Yes
Condie, Jot	Yes	Patel, Sima (CFO/Treasurer)	Yes
Fat, Kevin	Yes	Plot, Cody	Yes
Gallagher, Mike	Yes	Webster, Benjamin	Yes
Gregory, Rusty	Yes	Wiley, Xiomara	Yes
Kelliher, John	Yes	Zanger, Gene	Yes

There were also three appointments by the Governor to the board yesterday:

Sima Patel, of Oakland, has been reappointed and has served since 2014. Patel has been CEO at Ridgemont Hospitality since 2008. She is a member of the Visit Oakland Board of Directors and the Independent Lodging Industry Association Board of Directors.

John Kelliher of Temecula co-founded Stryder Transportation in 2004 and has been at Grapeline Wine Tours since 2002. He is a member of the Visit Temecula Valley Board of Directors.

Ernest Wooden Jr. has been president and CEO at the Los Angeles Tourism and Convention Board since 2013. He was senior managing director and executive vice president at Alagem Capital Group from 2008 to 2009 – he has served in various roles for Hilton Hotels, DoubleTree, Promus Hotel Corp., Omni Hotels and Sheraton.

FINANCIAL REPORT

CFO and Treasurer Sima Patel presented the financial report in her new role on the board.

The members of the Audit Committee include Mike Gallagher, Jay Jamison, Bob Muhs, Douglas Myers and Benjamin Webster.

The Audit Committee put forth a consideration to the full board to approve a hybrid of the structure in existence at the October board meeting, coupled with “Review” financial statements going forward.

This proposed structure continued to retain both accounting firms in various capacities, which was deemed important by the Audit Committee for the sake of independence and transparency benefitting the industry and all related constituents.

The Board approved the recommendations in October. The accompanying financial statement packets distributed to the board for the eight months ended February 29, 2016 reflect that hybrid financial structure.

This marks the second time management is presenting reviewed financial statements to the Board.

Ed Fahey from RINA then presented the Financial Statements to the board.

Matt Sabbatini followed Fahey by presenting Visit California’s Operational priorities.

The Visit California finance team had been working since the last meeting to break the annual budget into meaningful monthly budgets.

Sonja Spowart provided additional detail to the financial statements.

Visit California is eight months into the fiscal year, which represents 67 percent of the year and YTD total revenues are at 64 percent of budget and overall revenues are tracking at 95 percent of projections through February 29, 2016.

The shortfall in revenue is in the rental car segment category, which is tracking at 91 percent of YTD projections. As reflected in the media lately, there seems to be weakening industry pricing due to Uber and Lyft pressure and declines in transaction rental days. That softening is being reflected in our rental car assessment reporting YTD. This forecast assumes this trend continuing through the end of this fiscal year.

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Operating expenses YTD are at 57 percent of our annual budget and tracking at 100 percent of YTD budgeted activity.

In the area of program expenses Visit California is at 49 percent of annual budget YTD and 91 percent of anticipated spending through February. The shortfall in spending is primarily due to program timing.

Motion by Commissioner Bermingham to approve the February 29 financial statements. Second by Commissioner Meisner. Motion unanimously approved.

Commissioner	Vote (Y/N/A)	Commissioner	Vote (Y/N/A)
Avdis, Panorea (Chair)	Yes	King, Jeff	Yes
Beck, Paula	Yes	Martin, Noreen (Vice Chair-Operations)	Yes
Bermingham, James (Vice Chair-Marketing)	Yes	Meisner, Jordan	Yes
Colglazier, Michael	Yes	Murray, Carla	Yes
Condie, Jot	Yes	Patel, Sima (CFO/Treasurer)	Yes
Fat, Kevin	Yes	Plot, Cody	Yes
Gallagher, Mike	Yes	Webster, Benjamin	Yes
Gregory, Rusty	Yes	Wiley, Xiomara	Yes
Kelliher, John	Yes	Zanger, Gene	Yes

PUBLIC AFFAIRS

Vice Chairs Bermingham and Martin presented their industry platforms at the beginning of the public affairs section of the meeting.

Vice Chair Bermingham will be focusing on ROI deliverables as a part of the Dream Big Dividend and will also be supporting the luxury initiatives Visit California will be developing.

Vice Chair Martin is going to be focusing on the “Why Travel Matters” message along with promoting “Project: Time Off,” which aims to shift culture so that using personal time off is not considered frivolous but essential to strengthen families, improving personal health, a smart business investment for employers and an economic necessity.

Adam Sacks of Tourism Economics provided an update on the ROI scenarios for measuring the results of the Dream Big plan and to provide an interim report on where ROI is currently and what to expect in the next three to five years.

Beteta then presented other public affair activities including the March 2 Legislative reception in Sacramento, Visit California’s efforts during National Travel and Tourism

Week and the Assembly Resolution declaring May Travel and Tourism Month in California.

FY16/17 BUDGET

Beteta presented a budget for FY16/17 which will largely remain flat with last year while corresponding programs will continue with steady investment. The proposed budget was \$115.9 million.

Motion by Commissioner Gallagher to approve the proposed FY2016/2017 budget. Seconded by Commissioner Plot. Motion unanimously approved.

<i>Commissioner</i>	<i>Vote (Y/N/A)</i>	<i>Commissioner</i>	<i>Vote (Y/N/A)</i>
Avdis, Panorea (Chair)	Yes	King, Jeff	Yes
Beck, Paula	Yes	Martin, Noreen (Vice Chair-Operations)	Yes
Bermingham, James (Vice Chair-Marketing)	Yes	Meisner, Jordan	Yes
Colglazier, Michael	Yes	Murray, Carla	Yes
Condie, Jot	Yes	Patel, Sima (CFO/Treasurer)	Yes
Fat, Kevin	Yes	Plot, Cody	Yes
Gallagher, Mike	Yes	Webster, Benjamin	Yes
Gregory, Rusty	Yes	Wiley, Xiomara	Yes
Kelliher, John	Yes	Zanger, Gene	Yes

OPEN DISCUSSION

There was no open discussion.

OTHER MATTERS

There were no other matters discussed.

AGENDA ITEMS FOR FUTURE MEETINGS

Chair Avdis opened the floor up for future agenda items. There were none.

PUBLIC COMMENT

Chair Avdis opened the floor up for public comment. There was none.

ADJOURNMENT

COMMISSION MEETING MINUTES

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Motion by Commissioner Kelliher to adjourn the May commission meeting. Second by Commissioner Plot. Motion unanimously approved.

Commissioner	Vote (Y/N/A)	Commissioner	Vote (Y/N/A)
Avdis, Panorea (Chair)	Yes	King, Jeff	Yes
Beck, Paula	Yes	Martin, Noreen (Vice Chair-Operations)	Yes
Birmingham, James (Vice Chair-Marketing)	Yes	Meisner, Jordan	Yes
Colglazier, Michael	Yes	Murray, Carla	Yes
Condie, Jot	Yes	Patel, Sima (CFO/Treasurer)	Yes
Fat, Kevin	Yes	Plot, Cody	Yes
Gallagher, Mike	Yes	Webster, Benjamin	Yes
Gregory, Rusty	Yes	Wiley, Xiomara	Yes
Kelliher, John	Yes	Zanger, Gene	Yes