

## CALL TO ORDER

The California Travel and Tourism Commission (CTTC) Meeting was held in Oakland, CA at 4 pm PST on Tuesday, February 23, 2016 with Chairman Michael E. Rossi (Governor's Office) presiding.

### Attendance

Michael E. Rossi (Governor's Office); Noreen Martin (Martin Resorts); Jot Condie (California Restaurant Association); James Bermingham (Montage Hotels & Resorts); Gary Buffo (Pure Luxury Transportation); Rusty Gregory (Mammoth Mountain Ski Area); Will Withington (Enterprise Rent A Car)

Also in Attendance (for committee meetings only): Sima Patel (Ridgemont Hospitality), Mona Pasquil (Governor's Office, Appointments Secretary), Grace Arupo-Rodriguez (Governor's Office of Business and Economic Development), Benjamin Webster (Littler Mendelson PC), Ed Fuller (Orange County Visitors Association), Mike Gallagher (CityPASS), Chuck Davison (Visit San Luis Obispo County), Andy Wirth (Squaw Valley | Alpine Meadows), Caroline Beteta (Visit California), Matt Sabbatini (Visit California), Scott Plamondon (Visit California), Sonja Spowart (Visit California), Alex Vigil (Visit California), Tracy (Moss Adams), Ed (Rina)

### Absent

Aaron Medina (The Hertz Corp.); Michael Colglazier (Disney Resorts)

**Motion by Commissioner Buffo to approve the July Executive Meeting minutes. Second by Commissioner Withington. Motion unanimously approved.**

Yes Votes:

1. Michael E. Rossi (Governor's Office)
2. Noreen Martin (Martin Resorts)
3. Jot Condie (California Restaurant Association)
4. Gary Buffo (Pure Luxury Transportation)
5. Will Withington (Enterprise Rent A Car)

No Votes: None

Abstentions: None

Discussion around October minutes took place after approval of July Minutes. Conversation focused on paragraph following "Motion to approve the July 20<sup>th</sup> 2015 Executive Committee Minutes." Chairman Rossi requested to amend the paragraph to include "because the minutes were incorrect" between Open Discussion and the colon. Approval vote then took place for October minutes.

**Motion by Commissioner Condie to approve the October Executive Meeting minutes. Second by Commissioner Martin. Motion unanimously approved.**

Yes Votes:

1. Michael E. Rossi (Governor's Office)
2. Noreen Martin (Martin Resorts)
3. Jot Condie (California Restaurant Association)
4. Gary Buffo (Pure Luxury Transportation)
5. Will Withington (Enterprise Rent A Car)

No Votes: None

Abstentions: None

## OPENING REMARKS

Chairman Rossi explained why he will be leaving his Chairmanship to become the Chair and CEO of another organization. The Chair described his experience as joyful, interesting and appreciated. Chairman Rossi was pleased to be apart of the team that moved the organization from \$50 million to \$118 million. The Chairmanship transition will include Panorea Avdis (Governor's Office) taking over the duties and responsibilities which she understands the importance of.

## CEO REPORT

Caroline Beteta (Visit California) provided a summary of Outlook Forum to the Executive Committee. Highlights included a sold out conference and an increase in assessed business participation. The retail sector especially had strong attendance.

Caroline Beteta also communicated outside consultants will be at the spring board meeting to provide an update/status regarding ROI on the Dream Big Dividend.

CEO reported on strong, but slowing economic numbers. Budget collection is tracking to \$115.8 mil vs a projected \$116 mil.

CEO Beteta introduced Mona Pasquil, (Governor's Office, Appointments Secretary) who provided a quick update related to new appointments to the commission. Currently Secretary Pasquil is overseeing all appointments and Visit California's commission will also be analyzed. Secretary Pasquil wanted to manage expectations that while appointments may be coming nothing will materialize in the short-term (4 weeks).

## OFFICER REPORTS - Vice Chair Condie

Vice Chair Condie reported out on behalf of the Nominating Committee.

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

- Commissioner Rusty Gregory
- Commissioner Lynn Mohrfeld
- Commissioner Jot Condie
- Commissioner Mike Gallagher

There are also five additional Commissioners that are eligible for reelection that will be added to the ballot:

- Commissioner Noreen Martin
- Commissioner Michael Colglazier
- Commissioner Brian King
- Commissioner Xiomara Wiley
- Commissioner Carl Schuster

The Nominating Committee will be meeting after this board meeting to put forward a slate of candidates for the Executive Committee to approve and be put forth on a referendum ballot to be installed at the beginning of the next fiscal year.

All commission officers are terming out. Vice Chair Condie proposed the following slate of new officers:

- James Bermingham - Vice Chair of Marketing
- Noreen Martin - Vice Chair of Operations
- Sima Patel - Chief Fiscal Officer/Treasurer

**Motion by Commissioner Buffo to approve the aforementioned list of new officers. Second by Vice Chair Condie. Motion unanimously approved.**

Yes Votes:

1. Michael E. Rossi (Governor's Office)
2. Noreen Martin (Martin Resorts)
3. Jot Condie (California Restaurant Association)
4. Gary Buffo (Pure Luxury Transportation)
5. Will Withington (Enterprise Rent A Car)

No Votes: None

Abstentions: None

**OFFICER REPORTS - CFO**

Commissioner Martin started her report by mentioning the Audit Committee's October recommendation to the full board:

The recommendation was that the Board approve a hybrid of the structure in existence at the time, to be coupled with *Review* financial statements going forward.

The proposed accounting structure continued to retain both accounting firms in various capacities.

The Audit Committee felt strongly about keeping the two agency structure for the sake of independence and transparency, and to enhance the *perception* of the same, for the benefit of the industry and all related constituents.

The Board approved the recommendations in October, and the financial statements presented to the Executive Committee reflect that hybrid financial structure. This marks the first time management is presenting Reviewed Financial Statements to the Board.

Ed Fahey from RINA was then introduced to review the Financial Statements with the executive committee. Mr. Fahey reviewed the statements. Chairman Rossi questioned on page 8 whether the "designation by commissioners" could be un-designated which was determined to be the case. Then Visit California CFO, Sonja Spowart, was introduced to provide additional detail and context on the Financials. Vice Chair Bermingham asked about full year projections which CFO Spowart responded all projections appear in order and more complete fiscal year projections will be presented at the May board meeting since the financials are for the period ending November 30<sup>th</sup>, 2015.

**Motion by Chairman Rossi to approve the Financial Statements ending November 30<sup>th</sup>, 2015. Second by Commissioner Patel. Motion unanimously approved.**

Yes Votes:

1. Michael E. Rossi (Governor's Office)
2. Noreen Martin (Martin Resorts)
3. Jot Condie (California Restaurant Association)
4. Gary Buffo (Pure Luxury Transportation)
5. Will Withington (Enterprise Rent A Car)

No Votes: None

Abstentions: None

Commissioner Martin then discussed how management and staff performed a midyear budget revision to ensure that revenues and expenditures were aligned and tracking with original budget expectations for the current year.

Commissioner Martin then asked CEO Beteta to provide additional detail and context to the proposed budget revision.

CEO Beteta described how talent fees continue to be incurred even though no new spots have been created. Every time a spot is re-licensed the talent fees are re-negotiated. There will also be a large investment into Visit California's B2B website infrastructure to keep communications with investors and stakeholders as clear as possible.

There was discussion if the commission should have to approve a budget change of .5% however there was over \$4 million shifted in the budget which as discussed previously the board requested approval of such shifts.

**Motion by Chairman Rossi to approve the Midyear FY15/16 Budget Revision. Second by Commissioner Withington. Motion unanimously approved.**

Yes Votes:

1. Michael E. Rossi (Governor's Office)
2. Noreen Martin (Martin Resorts)
3. Jot Condie (California Restaurant Association)
4. Gary Buffo (Pure Luxury Transportation)
5. Will Withington (Enterprise Rent A Car)

No Votes: None

Abstentions: None

## OPEN DISCUSSION - LEGISLATIVE OUTREACH

Visit California CEO Beteta described the past and upcoming legislative outreach. Legislative touch points include Lieutenant Governor Gavin Newsom, Secretary John Laird, Assemblywoman Nancy Pelosi, and US Secretary of Commerce Penny Pritzker and Secretary of the Interior, Sally Jewell. Visit California will be holding a legislative event March 2<sup>nd</sup> in Sacramento premiering "National Parks Adventure" at the Esquire Theater.

## OPEN DISCUSSION - CALIFORNIA TOURISM MONTH RESOLUTION

Newly appointed Chairwoman Panorea Avdis described a resolution which would designate May as Travel and Tourism Month in California. This would

also kickoff Visit California's National Travel and Tourism Week campaign (May 2 - 6).

## OTHER MATTERS

None were discussed

## AGENDA ITEMS FOR FUTURE MEETINGS

Two items were discussed to include at future meetings:

- An update on the resolution which Chairwoman Avdis spoke to would be added to the next agenda.
- Since there was discussion around the revised budget it was decided to revisit the issue at the next meeting.

## PUBLIC COMMENT

Chairman Rossi opened the floor up for public comment. There was none.

## ADJOURNMENT

**Motion by Commissioner Gregory to adjourn the October Executive Committee meeting. Second by Commissioner Patel. Motion unanimously approved.**

Yes Votes:

1. Michael E. Rossi (Governor's Office)
2. Noreen Martin (Martin Resorts)
3. Jot Condie (California Restaurant Association)
4. Gary Buffo (Pure Luxury Transportation)
5. Will Withington (Enterprise Rent A Car)

No Votes: None

Abstentions: None