

CALL TO ORDER

The California Travel and Tourism Commission (CTTC) Meeting was held at 9 a.m. PST Thursday, Oct. 22, 2015, with Chairman Mike Rossi presiding.

Attendance

Michael E. Rossi (Office of the Governor)
Noreen Martin (Martin Resorts)
Jeff Senior (Fairmont Raffles International)
Paula Beck (Avis Budget Group)
James Bermingham (Montage Hotels & Resorts)
Gary Buffo (Pure Luxury Transportation)
Jim Burba (Burba Hotel Network)
Michael Colglazier (Disney Resorts)
Kevin Fat (Fat Family Restaurant Group)
Mike Gallagher (CityPASS)
Rusty Gregory (Mammoth Mountain Inn)
Brian King (Marriott International)
Jordan Meisner (Hyatt Hotels and Resorts)
Sima Patel (Ridgemont Hospitality)
Benjamin Webster (Littler Mendelson PC)
Gene Zanger (Casa de Fruta)

Motion by Commissioner Gallagher to approve the May 22, 2015 board meeting minutes. Second by Commissioner Martin. Motion unanimously approved.

CEO REPORT

CEO Report (Caroline Beteta):

1. National Report:
 - a. Brand USA: Sept. 30, 2015 marked the close of FY2015. At year-end, Brand USA exceeded revenue goals, submitted enough in ESTA submissions to hit the \$100 million match, and will carry forward approximately \$57 million in cash and in-kind contributions for FY2016.
 - b. China: President Obama met with Chinese President Xi to kick off a year of deeper cooperation in the travel and tourism space between the United States and China in the coming year. Visit California was also host to Chinese tourism and government leaders at the 9th annual U.S.-China Leadership Summit. The summit was an opportunity

to discuss mutually beneficial strategies of joint marketing and highlight a new era of Chinese-U.S. tourism cooperation, as well as promote travel to our respective countries.

- c. U.S. Travel Association: Todd Davidson (Visit Oregon) is the new national chair of the U.S. Travel Association. He will continue to advance the "Project: Time Off" initiative, encouraging individuals and businesses to reap the value of using earned time off. He will also focus on the Jolt Act and Open Skies agreements

2. Statewide Report:

a. Tourism Trends:

- i. 2014 was a record year for tourism in California and 2015 has continued to build on these records with all major tourism indicators positive through the first four months of the year.
- ii. Hotel occupancy, domestic and international air traffic and welcome center traffic are all showing good growth through April, and employment in the leisure and hospitality sector has followed suit.
- iii. The growth hasn't been just in the gateway regions, but is impacting the entire state.
- iv. California is also outgaining the United States in each of the metrics, showing ongoing appeal of the state's tourism product as well as the promotional efforts of all California tourism partners.

GUEST SPEAKER

Pat Gallagher, Executive Vice President, Super Bowl 50

1. There will be a full week of events in advance of the game. The NFL Experience, pro football's interactive theme park, will be held at Moscone Center and the Media Center will be in Moscone West.
2. The Super Bowl Fan Village, which is expected to host 1 million fans during Super Bowl week, also will be in San Francisco. Parties connected to #SB50 will stretch from the Embarcadero in San Francisco to Mission College in Santa Clara and various other Silicon Valley hot spots. There will be concerts, museum exhibits, kids interactive displays, celebrity flag football games, food festivals.
3. Fans are dubbing this the "Golden Super Bowl" because of California's "Golden State" nickname; the San Francisco 49ers, named after miners who came to California during the Gold Rush

- in 1849, and the traditional “golden anniversary” designation for 50 years.
4. This is the first Super Bowl to be held in the San Francisco Bay Area since Super Bowl XIX in January 1985. The Super Bowl 50 Host Committee has pledged that 25 percent of every dollar they raise will be invested in Bay Area nonprofits through the 50 Fund, its legacy initiative.
 5. This Super Bowl will be the largest and most impressive and most memorable scheduled big event in Northern California history.

OTHER REPORTS

NOMINATING COMMITTEE UPDATE

1. Welcome new commissioners:
 - a. **Ben Webster** (Littler Mendelson PC): Webster was appointed by Gov. Brown in September to fill the Shasta-Cascade regional vacancy. Webster has been at Littler Mendelson since 2009 and is a member of the firm’s Hospitality Practice Group, representing a variety of hotels, resorts, restaurants and airlines. He also sits on the Lassen Park Board of Directors.
 - b. Brian King (Marriott Signature Brands & Global Sales): King was elected by the board to fill the accommodations vacancy formerly held by Jim Kauffman (Marriott). During his 23 years with Marriott International, King has held multiple leadership roles spanning brand management, revenue management, reservations, regional operations and sales.
 - c. Jordan Meisner (Hyatt Hotels Corp.): Meisner was elected by the board to fill the accommodations vacancy left by Jeff Hasty at the beginning of the year. Meisner has been Senior Vice President - Field Operations since January 2005, following one year as Vice President/Managing Director at the Hyatt Regency O’Hare, an 1,100-room airport hotel in Chicago, where he also assisted the divisional vice president based there. Before this, Meisner was vice president/managing director of the Hyatt Regency Lake Tahoe Resort & Casino in November 2000, following three years as vice president/managing director of the Grand Hyatt San Francisco.
2. Outgoing Commissioners:
 - a. Ian Carter (Hilton Worldwide): Carter was a great addition to the board and the Executive Committee. His job with

Hilton takes him to the East Coast more often now, so he is leaving the board to focus his growing responsibilities in Florida.

- b. Mike Freed (Passport Resorts): Freed was an important part of this year's marketing plan and continues to assist where he can. He will leave the board to focus on growing his company further as they become global champions for sustainability in the travel and tourism industry.
3. Vacancies: There are three vacancies in the elected portion of the board - all vacancy positions.
4. For consideration: The Nominating Committee and Executive Committee have voted to elect Carla Murray (Starwood) to fill one of the accommodations vacancies.
 - a. Motion by Commissioner Senior to elect Carla Murray to the board representing the accommodations sector. Second by Commissioner Patel. Motion unanimously approved.

FINANCIAL REPORT: Noreen Martin, 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. Moving forward, management will present a period-to-date budget for Executive Committee meetings. 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.

AUDIT REPORT (Sima Patel, Ridgmont Hospitality)

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.

PUBLIC AFFAIRS AND INDUSTRY RELATIONS (Vice President of Communications Ryan Becker):

1. Year in Review: Year in Review was released in July in three iterations: a full 93-page book, a 16-page mini version and an interactive microsite. The theme "Dreams in Progress" illustrates how the organization was in planning mode and preparing for bigger things to come. There are more pages, photos and metrics in this Year in Review than any in the history of Visit California.
2. Why Travel Matters: The Executive Committee met July 20 to discuss Visit California's priorities and among those discussed was the importance of communicating the "Why Travel Matters" message across the state, specifically to legislators. Historically, Visit California has worked on connecting the legislators with the tourism message and this past quarter, was no exception. In June, legislators received a memo containing highlights of Visit California's 2014 economic impact report, including a breakdown of data by each legislative district, county and region. In August, they received the mini versions of the Year in Review, highlight California's record-breaking tourist spending and tax revenue. In September they received the editorial Visit California produces titled "Rural Tourism is Essential to California's Economic Future." And currently, Visit California is working with the legislature to introduce as Assembly Resolution declaring May, "Travel and Tourism Month."
3. Crisis Communications: In September, Visit California, kicked off its crisis communications task force, comprised of eight partners who specialize in managing crisis in their regions. Some of the issues discussed were the ongoing drought in California, the now increased chance of an intense wildfire season in California and El

Nino, which may lead to mudslides, flooding and power outages. The task force will meet a couple of times a year to discuss issues as they arise and will hold a workshop in the Spring.

DREAM BIG DIVIDEND ACTIVATION (Caroline Beteta):

At the half-year mark, staff wanted to share the progress of the Dream Big Dividend

Dream Big Dividend Progress Report: **Planning**

Program	In progress	Complete	Results
FY15/16 Dream Big Plan		✓	Delivered at May 22 meeting
Super Affluent Target Plan		✓	Delivered at Oct. 22 meeting
Travel Trade Training	X		
Reporting Dashboard	X		
Global Social Media Plan		✓	
Editorial Calendar		✓	
Middle East Plan		✓	
CA Grown Partnership	X		
Crisis Comms Task Force		✓	Topics include drought, fires

Dream Big Dividend Progress Report: **Resources**

Program	In progress	Complete	Notes
VCA Staffing and Onboarding	X		9/14 hired
Brand Agency		✓	
Content Agency		✓	
Global Social Media Manager	X		Onboarding Nov. 2016
International Trade & PR		✓	Onboarding underway
PR Agency	X		
New China Offices		✓	

Dream Big Dividend Progress Report: **Execution**

Program	In progress	Complete	Notes
New Brand Spot		✓	Live Oct. 5
New Family Spot		✓	Live Oct. 19
Dream 365TV Network	X		Ongoing
Global Suite of Websites		✓	19 launched by July
Digital Content Rollout	X		
Social Media Market Playbooks		✓	3/7 complete
Global Media Center Upgrade		✓	Launched October
Refreshed Visitor's Guide	X		

PUBLIC COMMENT

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

ADJOURNMENT

Motion by Commissioner Patel to adjourn the Fall Board Meeting.
Second by Commissioner Gregory. Motion unanimously approved.