

Executive Committee Meeting  
December 14, 2007  
Sacramento, California

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Commissioner Meunier called the meeting to order at 10:07 a.m. Roll was taken and a quorum was present. The following Commissioners were present: Commissioners Bilby (by telephone), Bonner (by telephone), Burba (by telephone), Handlery (by telephone), Lawrance and Meunier. Others present were Executive Director Caroline Beteta, Lynn Carpenter, Damon Eberhart (by telephone), Tracy Garrett (by telephone), Marilyn Hannes (by telephone), Jennifer Jasper, Mike Kvarme, Sandy Lyon, Matthew Sabbatini (by telephone), Betsy Taloff and Susan Wilcox. Also present was a representative of the Center for Public Interest Law.

To enable Secretary Dale Bonner, who was unexpectedly ordered by out of town by the Governor, to participate in the closed session of the meeting, the closed session was moved to the top of the agenda. Closed session commenced at 10:10 a.m.

#### **Open session reconvened at 11 a.m.**

#### **Report on Closed Session**

Mike Kvarme reported on the closed session. The Personnel Committee's report was presented pertaining to the Executive Director's contract. The Committee voted to approve a new three-year contract with the Executive Director. The title of Chief Executive Officer is added to the Executive Director's title, and the Deputy Directors' titles are changed to Vice President. The Vice Chair is authorized to sign the contract with the Executive Director on behalf of the Commission.

Mike Kvarme also stated that he presented a report on the status of pending litigation, the case titled Shames, et al. v. Hertz, etc., et al.

#### **Approval of Agenda**

The agenda was approved by consensus.

#### **Executive Director Report**

Executive Director Beteta indicated her report would focus on the referendum.

#### **Referendum Report/Assessment Update**

Executive Director Beteta reported that the referendum passed by 90.59%. She thanked Susan Wilcox, Meridian Pacific and the Referendum Task Force members for all their hard work. CTTC staff presented a record number of

speeches during the campaign, and the industry was very supportive of CTTC and its renewal.

Executive Director Beteta introduced Sandy Lyon, the new director of the Assessment Program. Sandy Lyon presented a report on voting participation levels, by industry and region.

Commissioner Meunier congratulated CTTC staff and all who worked on the renewal. He indicated the passage rate of the renewal is a testament to the effectiveness of the Commission's work.

Executive Director Beteta reported that CTTC's outgoing leaders and incoming leaders, as well as major stakeholders, will be recognized at the January Commission meeting.

### **Government Affairs Update**

Executive Director Beteta stated there is nothing new to report on government affairs.

### **Nominating Committee Report**

Commissioner Lawrance announced that the Nominating Committee report will be presented at the January Commission meeting.

### **Governance Committee Report**

Executive Director Beteta reported that the Governance Committee is working on proposed revisions to the Commission's Bylaws.

### **Marketing Advisory Committee Update**

Executive Director Beteta indicated that a new budget for FY 2008-2009 will be presented at the January Commission meeting. She announced that CTTC's International Summit will be held immediately preceding the January Commission meeting. Principals from CTTC's international offices will be present. The Chair will be meeting with them.

Executive Director Beteta reported that the California Travel Market (CTM) has historically been run by CalTIA. CTTC has been in discussions with CalTIA to transition the running of CTM to CTTC. Marilyn Hannes reported that CalTIA sees CTM as a marketing opportunity that CTTC could do a great job running it and that CTM needs to be updated. CalTIA wants to ensure that CTM stays true to its mission and vision. Hannes also indicated that CalTIA will be participating in the International Summit. A discussion regarding CTM is scheduled on the agenda of the summit. CalTIA is conducting surveys, and will present the results at the meeting. Marilyn Hannes reported that CalTIA has received a lot of inquiries about when CTM will be held.

Executive Director Beteta reported that the Wine and Food Campaign is moving forward nicely. The Wine and Food Executive Committee consists of Vice-Chair Bilby and Kerri Kapiche, with Tom Klein as the Chair.

Executive Director Beteta said she was pleased to announce that the U.S. Department of Commerce had entered into a Memorandum of Understanding with China, opening up the opportunity to work with travel groups and tours to increase leisure travel from China to the United States. It is a huge breakthrough.

Executive Director Beteta announced that the Wine and Food Campaign will be launched on January 29 in New York. It will be a major, high-end event with elite media and celebrity talent. It will also tie into the annual New York Media Reception. There is a lot of enthusiasm about the co-op campaign.

Executive Director Beteta reported that she had met with Garrett Ashley regarding trade missions. She doesn't think the Governor will be planning any international trade missions until the fall. Garrett Ashley is moving forward with several cabinet members, including Secretary Bonner, on a trade mission to Korea. He is looking for CTTC's help and participation. She asked Garrett Ashley to participate in the January Commission meeting. A free trade agreement with Korea is in the works, and the Visa waiver may come through shortly. Commissioner Bilby asked if CTTC had opened an office in China or had a marketing rep there. She recommended that the International Committee look into that idea. Commissioner Handlery agreed.

Commissioner Handlery suggested that it may be a good time to reach out to other bureaus regarding South Korea. Executive Director Beteta suggested that CTTC work in a co-organizational role, rather than taking a lead role in the trade mission to South Korea. CEO Beteta had talked to Garrett Ashley and agreed. Garrett Ashley wants delegate representation on the mission and it will be a good time to incorporate the trade community.

Jennifer Jasper announced that Pow Wow will be from May 31 to June 4, 2008, in Las Vegas, Nevada. Commissioner Handlery commented that if stakeholders and representatives from Korea would be attending Pow Wow, a trade mission in May or June would be a duplication of efforts.

Executive Director Beteta reported that the California Snow Campaign partners have requested new creative for the campaign, and will provide the financial support for it.

### **Financial Update**

Damon Eberhart reported that the audit is still in progress. It will be completed by the January Commission meeting. The Audit Committee has a conference call this afternoon.

Damon Eberhart stated that there are no formal financial statements to present at this time. Financial statements were presented at the October 2007 Commission meeting. The financial statements through November 30, 2007, should be presented at the January Commission meeting, as well as the audit report.

Damon Eberhart reported that the cash flow is doing well. Funds have been moved into longer term investments: \$4 million is in long-term investments, \$7 million is in money market account, and \$1.5 million is in checking.

### **Legal Update**

Mike Kvarme reported that Assessment Program Manager, Terri Toohey, has retired. CTTC will bring her back on a contract basis for special projects. The regulatory work previously started will be on hold until she is back on board.

Mike Kvarme stated that there is no further input on ethics at this time.

Mike Kvarme reported that the conflict of interest policy was dealt with at the last Commission meeting. It will be implemented in January 2008.

### **Other Business**

Commissioner Meunier asked if there was any other business. There was none.

### **Public Comment**

Commissioner Meunier asked if there was any public comment. There was none.

Executive Director Beteta referred meeting attendees to the new Commission roster in the meeting packet, particularly to the Governor's new appointments and re-appointments.

### **Adjournment**

Motion by Commissioner Lawrance to adjourn meeting. Second by Commissioner Meunier. Meeting adjourned at 11:35 a.m.