

Executive Committee Meeting  
October 23, 2007  
Newport Beach, California

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Commissioner MacRae called the meeting to order at 4:05 p.m. Roll was taken and the following Commissioners were present: Commissioners Bilby, Koeberer, Handlery, Lawrance, MacRae, Meunier, Muhs and Westrope. Others present include Executive Director Caroline Beteta, Lynn Carpenter, Damon Eberhart, Tracy Garrett, Ross Hutchings, Jennifer Jasper, Mike Kvarme, Sandy Lyon, Sommer McCormick, Terri Toohey and Susan Wilcox.

**Motion by Commissioner Meunier to approve the meeting minutes of September 24, 2007. Second by Commissioner Westrope. Motion unanimously approved.**

#### **Executive Director Report**

Executive Director Beteta reported that staff has been working diligently on the recent Southern California wildfire crisis and that staff will be holding a conference call the following day to discuss the recovery efforts. She reported that Secretary Dale Bonner has been in contact and will be attending the reception this evening and will address the Commission.

She reported that at this meeting, staff would be reporting heavily on referendum efforts. Executive Director Beteta recognized Terri Toohey for her dedicated service to the Division of Tourism and welcomed Sandy Lyon to the team. She reported that currently there are excess revenues that were not budgeted and asked the committee to consider allocating some of the funds for wildfire relief.

#### **Referendum Update**

Executive Director Beteta reported that staff has been working very hard to get the message out and ensure that the referendum is passed with excellent results. She reported that staff has done more speeches and more e-mail blasts than ever before. She reported that more than 2,700 ballots were mailed on time.

#### **Government Affairs Update**

Executive Director Beteta reported that CTTC had a great success with the "A Taste of California" reception in Washington, D.C., with 25 members of Congress present, including Senator Feinstein. She reported that the industry supported this event, making California stand out from other states. She reported that Governor Schwarzenegger was also briefed on the success of the California reception.

### **Nominating Committee Update.**

Commissioner Lawrance reported on the Nominating Committee update. He stated that the Committee has recommended John Mazzoni with Hilton Hotels for a Commission seat, effective immediately. The Committee is also recommending Jim Burba and Bob Muhs to fill vacancies on the Executive Committee. Recommendations for officers are: Claire Bilby for Vice-Chair of Marketing, Louis Meunier for Executive Committee and Terry Westrope for CFO.

**Motion by Commissioner Handlery to approve the recommendations of the Nominating Committee for full Commission approval. Second by Commissioner Lawrance. Motion unanimously approved.**

Executive Director Beteta reported that the Governor's office has been very active with appointments and has appointed Lina Fat and Doug Manchester to the Commission. She also reported that Commissioner Klein has been re-appointed.

### **Governance Committee Update**

Commissioner Handlery reviewed the recommendations of the Governance Committee. It was recommended to the Executive Committee that Commissioners would have two consecutive four-year terms. The Committee has decided that partial terms will be considered as one term. Committee chairs would have a two-year term. The Committee also felt that Commissioners' businesses must be assessed.

He reported that the Committee also reviewed attendance, partial terms and total terms, among many other items. The Committee has a wide range of issues to review and will be coming back in future meetings with further recommendations. Mike Kvarme reported that he is waiting on an official opinion from the Attorney General's office in regard to the partial term bylaw change that was made a year ago.

The Committee has recommended that for Committees that do not exercise the discretion of the board, non-Commissioners may serve. Audit and Nominating are two committees that would be excellent to add members to, which would also give an additional layer of transparency to the Commission.

### **Marketing Update**

Commissioner Bilby reported that the Commission is looking to set aside \$75,000 immediately for PR funds for wildfire relief. She reported that the Committee would also like to set aside an additional \$250,000 for a coordinated effort with local CVBs in areas affected by the fires. Staff has been working on updating the visitcalifornia.com site daily with factual information

regarding the fires. The Committee decided to keep the additional \$250,000 as a whole and not distribute it to each region.

Commissioner Bilby reported that the Commission currently has carryover funds of approximately \$5.269 million and recommended \$1.8 million to the marketing reserve fund and \$1.4 million into operating reserves. The Committee will come back with recommendations on how to spend the remaining \$2.1 million.

### **Financial Report**

Commissioner Westrope reported that the annual audit has not yet been completed. She reported that staff has been working with the audit firm and the audit is about a month away from completion. She reported that the Audit Committee met, and would like to recommend that Commissioner Muhs be added as an Audit Committee member.

**Motion by Commissioner Meunier to appoint Commissioner Muhs to the Audit Committee. Second by Commissioner Lawrance. Motion unanimously approved.**

### **Personnel Committee Update (Closed Session Report)**

It was reported to the Executive Committee and it was advised that additional time was required. No action was taken.

### **Legal Update**

Nothing to report.

### **Other Business**

Nothing to Report.

### **Public Comment**

Nothing to Report.

**Motion by Commissioner Westrope for Executive Committee to go into closed session, Second by Commissioner Lawrance. Motion unanimously approved.**

### **Adjournment**

**Motion by Commissioner Meunier to adjourn meeting. Second by Commissioner Handlery. Meeting adjourned at 5:45 p.m.**