CTTC Executive Committee
October 8, 2008

## Call to Order

Vice Chair Louis Meunier called the meeting to order at 7:00 a.m. Commissioners in attendance included Vice Chairs Meunier and Wagnon and Commissioner Burba, Gregory, Handlery, Muhs, O'Modhrain, Wagnon and Westrope. Also present were Ann Barsotti, Caroline Beteta, Damon Eberhart, Karen Fish, Mike Kvarme, Rebecca McCafferty, Dan Mishell and Matthew Sabbatini.

Motion by Commissioner Westrope to approve the minutes of the September 17, 2008, Executive Committee meeting. Second by Commissioner O'Modhrain. Motion unanimously approved.

Vice Chair Meunier reported on the compressed meeting schedule due to the religious holiday. He reported that the full Commission meeting will be formatted differently in a continuing effort to comply with the Bagley–Keene Open Meeting Act. The schedule has been arranged to allow lunch to begin at 1 p.m. while Commissioners remain in closed session.

## CEO Report

CEO Caroline Beteta reported that CTTC has just completed its first year at $50 million. Staff is working on bigger and broader programs, while keeping in mind the need for transparency and accountability for the public and stakeholders. Staff has begun using performance objective-based annual evaluations and will be presenting individual program reports at a later meeting.

CEO Beteta reported that the Travel Promotion Act (TPA) was passed by the House of Representatives, and is currently pending in the Senate. Staff have held 22 meeting in Washington, D.C., including meetings with Representative Zoe Lofgren, Senator Barbara Boxer and Speaker of the House Representative Nancy Pelosi. She reported that CTTC will be holding a Congressional reception in Sacramento in the spring, similar to the "Savor the Flavor of California" Congressional Reception held in Washington, D.C. in September, and called for a committee to be established.

Vice Chair Meunier introduced new California Tourism staff including Dan Mishell, Director of Research; Cris McLucas, Assessment Program Manager; and Ann Barsotti, Vice President of Operations.

CEO Beteta reported that a three-year budget will be presented at the Commission meeting today and introduced the new interactive Web team, Sapient.

## Nominating Committee Report

Commissioner O'Modhrain reported that the Nominating Committee met recently and reported on three open appointed slots, one open slot in the Restaurant/Retail segment, and two open slots in Accommodations. The Committee recommended

that Jot Condie of the California Restaurant Association fill the Restaurant/Retail segment opening. Commissioner O'Modhrain reported that Commissioner Westrope will be terming out as CFO, and that the Committee recommends Commissioner Fichthorn to serve as CFO. The Committee also recommended that Don Skeoch serve as co-chair for the Adverting and Co-op Committee. Commissioner O'Modhrain reported that all of these changes will take effect at the January 2009 Commission meeting.

Government Affairs Committee
Vice Chair Meunier reported that there were 20 California Congressional representatives in attendance at the Washington, D.C. "Savor the Flavor of California" Congressional reception, and that it was a great success. CEO Beteta discussed the 22 meetings they had on Capitol Hill and reported that the Travel Promotion Act is now sitting in the Senate, preparing for legislative review and approval.

Legal Issues
Closed Session

Financial Report
Commissioner Westrope reported that the Audit Committee evaluated audit proposals and recommended a selection to the Executive Committee back in June. She is happy to report that CTTC has received its eighth unqualified opinion audit, with no management items to report. She reported that this audit was completed while also going through significant organizational changes, such as moving to new audit firm, experiencing CTTC's first year of a $50 million budget, a change in the Director of Finance and Human Resources, substantial increases in staff, conversion to a new accounting software package (Microsoft Dynamics/Great Plains), running double accounting systems for the first half of FY 08-09, and implementing a comprehensive online Commercial Electronic Office through Wells Fargo.

Motion by Commissioner Wagnon to approve the August 31, 2008, financials as presented. Second by Commissioner Fichthorn. Motion unanimously approved.

Damon Eberhart reported on CTTC's investment policy. He reported that we currently have no funds in money market accounts, with all of our investments held in 100% Treasury accounts. He reported that the contract with MeringCarson had expired and that an addendum is being addressed to engage them for another year. It was also reported that CTTC will be working on the investment policy so that secondary authority is required to move funds outside regular CTTC accounts.

Motion by Commissioner Westrope to approve the audit for FY 07-08 as presented and to amend the policy giving Eberhart and Company authority to move funds within CTTC accounts, but require secondary CFO authority to move funds outside existing accounts. Second by Commission Meunier. Motion unanimously approved.

## Personnel Committee Report
Closed Session: the Committee made recommendations to the Executive Committee regarding the annual review of the CEO.

## Other Business
None

## Public Comment
None

## Adjournment
Meeting adjourned at 8:54 a.m.