

**CALIFORNIA TRAVEL AND TOURISM COMMISSION
COMMISSION MEETING MINUTES**

October 8, 2008

Location: Hotel Del Coronado
1500 Orange Avenue
Coronado, CA 92118

PUBLIC NOTICE: *No RSVP, notice or registration is required to attend this meeting. Members of the public may attend or speak at the Meeting. Any RSVP is voluntary and is not a requirement for attendance at any Commission Meeting. All persons may attend the Meeting regardless of whether he or she signs in, registers or RSVPs.*

Commissioners present:

Vice Chair Louis Meunier; Vice Chair John Wagon; Chief Fiscal Officer Terry L. Westrope; Rick Anderson, Jim Burba, David Cohn, Chip Conley, Joe D'Alessandro, Lina Fat, Andrew P. Fichthorn, Rusty Gregory, Ed Grier, John Handlery, Jay Jamison, Douglas Manchester, Reginald R. McDowell, Bob Muhs, Cormac O'Modhrain, Sima Patel, Cody Plott, Kathy Turner and Gillian Zucker.

Commissioners absent:

Chair Dale E. Bonner; Brian Carpenter, Tom Klein, Larry Kurzweil, Mark Liberman, and Julie Maurer.

Staff present:

Caroline Beteta, President and Chief Executive Officer
Ann Barsotti, Vice President of Operations
Mike Kvarme, Legal Counsel
Cris McLucas, Tourism Assessment Division
Dan Mishell, Director of Research
Matt Sabbatini, Acting Director of Finance and Human Resources
Lynn Carpenter Schumann, Vice President of Marketing
Susan Wilcox, Vice President of Communications

1. ROLL CALL

Vice Chair Meunier called the meeting to order at 9:30 a.m.

After reading the Public Notice (above), Acting Director Sabbatini called the roll.

2. APPROVAL OF MINUTES - May 20, 2008

Upon motion by Commissioner Cohn, seconded by CFO Westrope, the Commission unanimously approved the May 20, 2008, Minutes.

3. OPENING REMARKS

Vice Chair Meunier discussed the new accountability and metrics program being implemented for the CTTC staff. This component is extremely important with CTTC currently budgeted at \$50 million. He stressed the need for transparency and accountability to the public and the stakeholders. This will likely be increasingly important, given the current economic climate.

There are five core strategies of CTTC that the new program will follow:

- 1. Protect and maintain volume in primary domestic markets.*
- 2. Reach visitors within national opportunity markets through awareness-building brand programs.*
- 3. Expand marketing beyond seasonal coverage to drive year-round visitation.*
- 4. Deepen efforts in primary international markets through a multi-tiered audience approach.*
- 5. Create a technology platform to leverage the California brand character and provide additional avenues for consumer reach.*

4. REPORT OF THE CHIEF EXECUTIVE OFFICER

Chief Executive Officer (CEO) Beteta recognized new staff members Dan Mishell, Cris McLucas and Ann Barsotti. Active recruitment continues for the position of Director of Media Relations.

The Business, Transportation and Housing Agency has developed a strategic marketing alliance within the state infrastructure, and their program is probably where the Commission was ten years ago. The Commission is working with them to help them borrow, from a strategic perspective, the CTTC brand and creative execution. The Agency and the Commission do a lot collaboratively on the international trade front.

CEO Beteta echoed Commissioner Meunier's focus on accountability. The environment is dramatically different than in May '08 and adjustments will continually need to be made.

The Commission will be diving deeply into international planning. A China office will be opening soon, and the International Summit will occur in January '09. CEO Beteta gave a presentation on current tourism trends.

5. NOMINATING COMMITTEE REPORT

Commissioner O'Modhrain reported that the Committee last met on September 16. Current open Commission seats include three slots in the Appointed segment; two slots in the Accommodations segment; one in the Restaurant & Retail segment; one in Travel & Transportation; and one in Rental Cars.

Jot Condi was nominated for the open Restaurant & Retail seat.

Vice Chair Meunier and Vice Chair Wagnon were nominated for re-election to another term.

Commissioner Rusty Gregory was nominated for election to the Executive Committee, replacing Terry Westrope, who is terming out.

The CFO position is currently under discussion.

John Handlery will be terming out as Chair of the International Committee at the end of the year, and his replacement is still under consideration.

All of the above nominations were approved by the Executive Committee.

Upon motion by Commissioner Wagnon, seconded by Commissioner Cohn, Jot Condi was unanimously elected to the Restaurant & Retail seat.

Upon motion by Commissioner Wagnon, seconded by Commissioner Cohn, Rusty Gregory was unanimously elected to the Executive Committee.

Upon motion by Commissioner Manchester, seconded by Commissioner Muhs, Vice Chairs Meunier and Wagnon were unanimously re-elected as Vice Chairs.

6. GOVERNMENT AFFAIRS UPDATE

Vice Chair Meunier reported on the Congressional Leadership dinner held in Washington, D.C., in September, which was a big success. Members of the Commission staff subsequently went on Capitol Hill to discuss the Travel Promotion Act with various Congresspersons and their staffs. A similar event will be held in Sacramento in Spring '09.

7. FINANCE COMMITTEE REPORT

CFO Westrope reported that RINA Accountancy Corporation was selected and proposed to the Executive Committee as the new audit agency for the Commission; the Committee approved the selection and the audit came in on time with an unqualified opinion and no management items. This is the 8th year in a row that the Commission has received no qualified opinions.

Upon motion by Commissioner Manchester, seconded by Commissioner Gregory, the Commission unanimously approved the audit.

CFO Westrope then discussed the details of the financials for 6/30/08 and 8/31/08. Highlights included:

- *\$5,044,074 in carryover funds:*
- *\$8,044,800 cash in bank;*
- *\$12,892,670 Total Net Asset as of 8/31/08.*

Upon motion by Commissioner Manchester, seconded by Commissioner D'Alessandro, the Commission unanimously approved the financials for 6/30/08 and 8/31/08.

*****AT 10:22 A.M. THE COMMISSION MEETING WAS TEMPORARILY SUSPENDED AND THE MARKETING ADVISORY COMMITTEE MEETING IMMEDIATELY COMMENCED. AT 12:26 THE REGULAR COMMISSION MEETING RESUMED.*****

8. PRESENTATION OF THE KEYNOTE SPEAKER

Commissioner Chip Conley, founder of Joie de Vivre Hospitality, the second largest boutique hotel company in the world, and recent recipient of the Bay Area Most Innovative CEO Award by the San Francisco Business Times, gave a presentation on Hospitality Trends and California Tourism and the need to incorporate self-actualization (a la Maslow's hierarchy of needs) into marketing plans.

9. LEGAL AND OTHER ISSUES

Mike Kvarme updated the Commission on potential changes to the by-laws.

Upon motion by Commissioner D'Alessandro, seconded by Commissioner Anderson, the Commission unanimously approved the changes to the by-laws as presented.

Upon motion by Commissioner O'Modhrain, seconded by Commissioner Muhs, the full Commission unanimously approved the marketing budget (as detailed during the Marketing Meeting).

10. ADJOURNMENT

Seeing no public comment and receiving no suggestions for future agenda items, Vice Chair Meunier asked for a motion to adjourn.

Upon motion by Commissioner Gregory, seconded by Commissioner Muhs, the Commission Meeting adjourned at 12:52 p.m.