



**SAN DIEGO TOURISM PROMOTION CORPORATION  
SPECIAL BOARD OF DIRECTORS MEETING  
Sheraton Hotel & Marina – Bay Tower  
1590 Harbor Island Drive, San Diego, CA 92101  
Friday, November 14, 2008 9:30 a.m.**

**MINUTES**

**Roll Call**

**C. Terry Brown, Chairman, called the meeting to order at 9:35 a.m.**

**Board members present: Terry Brown, Moshen Khaleghi, Joe Terzi, Luis Barrios, Richard Bartell, Bill Evans and Bob Rauch.**

**Board members absent: Ray Warren, and Patrick Duffy.**

**Also in attendance: Lorin Stewart, Executive Director, Jere Batten, Batten Accountancy Inc., and John Lambeth, legal counsel.**

**PUBLIC COMMENT: none**

**ACTION ITEMS:**

- 1. There were no changes to the Minutes from the SDTPC Board of Directors meeting of November 6, 2008. A motion was made by Luis Barrios to approve the minutes. There was a second by Bob Rauch. Yes 6, No 0, Abstain 0.**
- 2. SDTPC-CONVIS FY 2009 Contract amendment: “Addendum D”  
The Board discussed amending the Contract with Convis as it pertains to the procurement provisions continued in Addendum D. A motion was made by Bob Rauch to accept the changes to the contract. A second was made by Terry Brown. Joe Terzi asked that the same amendment be considered for the San Diego North contract at the next board meeting. Yes 6, No 0, Abstain 0.**

**PRESENTATIONS:**

- FY 2010: San Diego Convention and Visitors Bureau: Proposed scope of work and Budget. The Board heard a presentation from Convis regarding the proposed scope of work and budget for FY 2010. An overview of their presentation was given by Jim Oddo. David Peckinpaugh presented the board with the 3 major themes for Convis in 2010: Transparency, reduction of duplication with partners, and effective investments (Convis stated that it sees itself as the steward of industry dollars). Convis’ funding request for FY 2009 was \$15,013,058; Their request for FY 2010 will be \$ 16,384,206, an increase of \$1,291,148. Convis presented a PowerPoint slide show to the Board. Margie Sitton presented information about group sales. Kerri Verbeke Kapich presented information on marketing, administration and membership.**
- FY 2010: San Diego North Convention and Visitors Bureau: Scope of Work and**

**Budget.** Cami Matteson gave a presentation to the Board for San Diego North. Cami stated that the TMD money makes up 79% of the San Diego North Budget. San Diego North spends \$1.7 million on marketing and \$1.154 million on sales. Cami then presented a PowerPoint slide show to the Board.

Bob Rauch asked about the 3.6 million room nights discussed in the Convis presentation. Mr. Rauch asked how many of the room nights are incremental and what would be expected if there were no TMD funding. The Board had a discussion about whether the room night totals were being double counted. Joe Terzi applauded Convis on consolidating and sharing information. Mr. Terzi asked Cami Matteson if San Diego North was a brand or a destination. David Peckinpaugh responded, saying that there was some distinction, they are the same brand but different experiences. Mr. Terzi asked how the two groups will work together at trade shows. Ms. Matteson and Mr. Peckinpaugh replied that they were still working the details out but that ASAE was a good example of their efforts to work together. Richard Bartell asked how revenue results would be measured from the new sales force. The target is 43,000 room nights per sales director. Joe Terzi asked why there was a need for so many staff members. Mr. Peckinpaugh stated that all additional employees have helped drive the return on investment. Mr. Terzi asked if they would change any of their plans knowing what they know today. Mr. Peckinpaugh replied no, they would not. Luis Barrios asked for clarification on room nights and employee numbers. Mr. Peckinpaugh explained that in 2008 the goal was to book 680,003 room nights with existing employees. Bookings went up by 200,000 room nights when they brought on 6 additional employees. The Goal for FY 2009 is 875,000 room nights. By 2010 they project an increase of 90,000 room nights to 975,000 room nights. This increase would include the addition of 2 new employees.

Bob Rauch asked what the target market is. Mr. Peckinpaugh stated that each geographical area has a different target and a different vertical market. Bill Evans asked how up to date the ADR information was and why it was not the same for Convis and San Diego North. Ms. Matteson stated that they group was in the process of updating. Mr. Evans asked about the 400% increase in meetings. Margie Sitton stated that yes, they were working with OTA's and other online work. Mr. Evans asked about the difference in conversion ratio between Convis, 2.5%, and San Diego North, 0.9%. Ms. Matteson replied that it was just online data for them, in a mature market. Mr. Evans asked about the 30% website growth. Ms. Matteson replied that they had made a major investment into their website. Mr. Evans asked John Lambeth if web development qualified as a capital expenditure. Mr. Lambeth replied that he would need to research that information and report back to the board. Mr. Evans asked if the group was double counting for results outside of the city. Mr. Peckinpaugh replied that no, the group is very careful in their tracking and subject to audits. Mr. Evans asked about the redundancy between the two organizations. Ms. Matteson stated that they were working on coordinating their human resources. Moshen Khaleghi asked about if the "Sunny Outlook" brand campaign was a portion of the budget. Ms. Matteson stated that it was. Mr. Khaleghi asked for a comparison of projected growth in room nights and projected growth in employee expense. Mr. Peckinpaugh directed him to the slide show and said he would provide additional data. Mr. Khaleghi asked how they can be sure there was no double counting occurring and the economy of sale/producing power. Lorin Stewart stated they will need to work on ensuring there is no double counting. Mr. Stewart also stated that there was a request for

\$33 million for 2010 but that TPC will have \$25-28 million available. Mr. Lambeth stated that the board is required to focus on the return on investment. Mr. Khaleghi asked if each program had been assigned a return on investment. Mr. Peckinpaugh stated that no, there were hundreds of initiatives and they had not looked at each of the programs for a return on investment. Kerri Verbeke Kapich stated that advertising return on investment is a layered analysis. It is difficult to measure return on investment from one marketing campaign.

The Board then had a discussion regarding the role of the Board. Mr. Evans stated that they need better information on the return on investment and a standard for return on investment. Mr. Khaleghi stated that the board needs a contingency plan if the TMD raises less money. Joe Terzi stated that he was concerned about the branding issue but specifically wants more coordination and cost efficiency. Mr. Terzi would like the groups to be more aggressive about coming together to eliminate overhead and a commitment that if there are cuts in the future, those cuts would not be from sales and marketing. Mr. Evans stated his concern that if the numbers are too optimistic, then a lot of people were relying on bad numbers. Mr. Terzi stated that most companies are projecting a 4 to 9% rev par loss next year.

**CONSENT:**

**3. Motion to Adjourn**

The meeting was adjourned by Chairman Brown without objection at 12:30 p.m.

Approved \_\_\_\_\_

Luis Barrios, Secretary

Date \_\_\_\_\_