



**BOARD OF DIRECTORS MEETING
Bahia Resort Hotel: Shell / Ventana Rooms
998 West Mission Bay Drive, San Diego, CA 92109
Friday, July 17, 2009
9:00 am to 12:30 p.m.**

MINUTES

Roll Call

C. Terry Brown, Chairman, called the meeting to order at 9:07 a.m.

Board members present: Terry Brown, Ray Warren, Richard Bartell, Luis Barrios, Patrick Duffy, Bill Evans, Mohsen Khaleghi and Bob Rauch

Board members absent: Kerri Robinson

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

PUBLIC COMMENT: Bob Davies from Hydroplane Racing spoke to the Board about the financial challenges the event is experiencing. Mr. Davies wanted to inform the Board about the dire financial circumstances and let the Board know that there is a chance that the event will be cancelled.

Chuck Hansen, Chair of the San Diego East Visitors Bureau, informed the Board that he is supportive of item number 15 on the agenda.
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ACTION ITEMS:

1. There were no changes to the Minutes from the SDTPC Board of Directors meeting of June 12, 2009. A motion was made by Luis Barrios to approve the minutes. There was a second from Ray Warren. Yes 6, No 0, Abstain 0.
2. **SDTPC FY 2010 Officers Election:**
John Lambeth read the applicable Bylaws sections and outlined the procedures for electing officers to the Board members. Mr. Lambeth called for nominations for Board Chair. A motion was made by Richard Bartell to nominate Terry Brown for Board Chair. A second was made by Luis Barrios. Yes 6, No 0, Abstain 0.
A motion was made by Luis Barrios to nominate Richard Bartell for Board Vice Chair. A second was given to the nomination of Richard Bartell for Board Vice Chair by Terry Brown. Yes 6, No 0, Abstain 0.
A motion was made by Richard Bartell to nominate Luis Barrios for Secretary. A second was made by Patrick Duffy. Yes 6, No 0, Abstain 0.
A motion was made by Terry Brown to nominate Ray Warren for Treasurer. A second was made by Richard Bartell. Yes 6, No 0, Abstain 0.

- 3. SDTPC Approval of FY 2010 Regular Board Meeting Schedule:**
- 4. FY2010 Application Plan / Timeline:**

Lorin Stewart reviewed the FY 2010 Board Meeting Schedule and application timeline with the Board. A motion was made by Ray Warren to approve of the FY 2010 meeting schedule and application timeline. A second was made by Luis Barrios. Yes 6, No 0, Abstain 0. Board meetings shall be the third Friday of the month from 9 am to 12 pm. Bill Evans offered to host all of the meetings so there is certainty in the meeting location.
- 5. Selection of Audit Company for FY 2009 Audit:**

The Board had a discussion regarding the selection of a firm for auditing. SDTPC staff recommended Robert Redwitz & Co. A motion was made by Patrick Duffy to accept the recommendation made by staff for auditing firm. A second was made by Luis Barrios. Yes 6, No 0, Abstain 0.
- 7. Communications Company Selection:**

Lorin Stewart provided information on the applicants for a Communications Company. Luis Barrios stated that there were very good presentations from the applicants, in particular Nelson and MJE. Richard Bartell stated that both Nelson and MJE could do a good job for the TPC. Ray Warren stated that communication to key stakeholders is critical. Terry Brown stated that the Board had pulled the best from both companies. Mr. Stewart stated that the staff recommendation would be to bifurcate the services: Nelson Communications would handle communications with City officials, media and grant recipients for \$1,500/month; MJE would handle quarterly newsletter, website and e-blasts for \$2,500 month. Bill Evans stated that the TPC should avoid being like the Port's Big Bay. The TPC should be behind the scenes and Convis should be out front. He stated that Convis and San Diego North are the "movie stars" here. Mr. Stewart stated that the TPC needs the quarterly newsletter and that it should be done by MJE. Mr. Stewart also stated that the newsletter should not be too slick or too expensive. Mr. Evans stated that the Port's annual report is the best he has ever seen. Mr. Evans stated that he would like the TPC's to be more modest. Mr. Warren stated that the TPC is focused on the fundamentals of communications. Mr. Evans stated that focus needs to be on payers. Mr. Brown agreed but also stated that the TPC needs to be able to communicate. Mr. Bartell stated that the goal should not be to promote the TPC but that the TPC does need to be prepared to respond to issues as they arise. Mr. Evans stated that the TPC needs to be able to show its successes, e.g. the OTA program through Convis. A motion was made by Ray Warren to accept the staff recommendation and that communications allocation not exceed \$5,000. A second was made by Luis Barrios. Yes 6, No 0, Abstain 0.
- 6. Banking Online Proposals and Selection:**

Lorin Stewart stated that the TPC is trying to expedite the reimbursement process. Mr. Stewart stated that automatic transfers will increase the speed at which the TPC gets reimbursed. A motion was made by Ray Warren to accept the staff recommendation on the proposal for Online Banking. A second was made by Patrick Duffy. Yes 6, No 0, Abstain 0.
- 8. FY 2009 Contract Amendments for Vendor-Direct Payments:**

The Board heard a recommendation that the FY 2009 Sports Commission Incremental contracts for San Diego North, and the San Diego Sports

Commission for the RedBull Air Races and USA Sevens be amended to allow for large media buys and incremental contracts. A motion was made by Ray Warren to approve an amended contract for San Diego North. A second was made by Richard Bartell. Yes 6, No 0, Abstain 0. A motion was made by Ray Warren to approve an amended contract for the RedBull Air Races. A second was made by Terry Brown. Yes 6, No 0, Abstain 0. Bill Evans asked about the possibility of losing the USA Sevens and paying the USA Sevens in advance. A motion was made by Luis Barrios to approve an amended contract for the USA Sevens. A second was made by Patrick Duffy. Yes 6, No 0, Abstain 0.

9. **FY 2010 Budget Revisions Reflecting Board Direction/Final Funding Approval:** The Board discussed the formal approval of the revised budgets resulting from the SDTPC Board FY 2010 funding approvals. The revised budgets include: Accessible San Diego Incremental from \$126,473 to \$30,000; Convis Incremental fro Restaurant Week from \$76,941 to \$50,000; San Diego Natural History Museum from \$300,000 to \$150,000; and San Diego Bay Wine and Food Festival from \$75,000 and \$50,000. In regards to Accessible San Diego, Lorin Stewart gave some background on the funding that was already approved and stated that it is redistribution from the budget line of “technology” to “core funding.” Staff recommends approving the change. A motion was made by Ray Warren to approve of the line item change in the Accessible San Diego budget. A second was made by Patrick Duffy. Yes 6, No 0, Abstain 0. A motion was made by Patrick Duffy to approve the Budget Revisions for Convis Restaurant Week, San Diego Natural History Museum and San Diego Bay Wine and Food Festival. A second was made by Richard Bartell. Yes 6, No 0, Abstain 0.
10. **Balboa Park 2015 Centennial Celebration Development Funds:** Bill Evans discussed a preliminary plan for funding the Balboa Park Centennial Celebration. Mr. Evans asked that the Board approve an amount not to exceed \$50,000 and authorize the Executive Director to spend funds for the Balboa Park celebration. A motion was made by Bill Evans to approve funds not to exceed \$50,000 and authorize the TPC Executive Director to spend funds as necessary. A second was made by Luis Barrios. Richard Bartell asked where the money would go. Mr. Evans stated that it is unknown where the dollars would be spent at this moment. Mr. Evans stated that there are many different committees and they are trying to pull people together around one description of this project. Mr. Evans stated that they may set up a small committee (like the US Open) to organize event. Terry Brown stated that the Mayor has indicated that there is a commission in the works. Ray Warren asked if the Board had supported a \$1 million investment. Mr. Brown stated that the Board had talked about it but left it open. Mr. Warren stated that the Board should make the \$50,000 targeted and be more specific. Mr. Warren stated he would like to make sure this is about assessing opportunity not promoting. Mohsen Khaleghi joined the Board meeting in progress. Mr. Evans stated that there are many questions to answer. Mr. Brown stated that the TPC should be a moving force and that the Board will be looking from the park out, not inside the park. Mr. Evans stated that the Board needs to know in October how much money the group will be asking for. The celebration is only four years away and they are “behind the eight ball.” Mr. Brown stated that this could be a tremendous event and a two year event. Mr. Warren asked about the marketing committees actions. Mr. Evans stated they would go out to very large event specialists with RFP. Richard Bartell stated that the committee needs to be careful about event companies with conflicts of interest. Yes 7, No 0, Abstain 0.

11. **Convis FY 2010 Base Budget Detail Review and Approval:**
Lorin Stewart went through financials with the Board. Ray Warren asked about projection in FY 2010 instead of FY 2009. Joe Terzi stated that Convis had looked at the year, quarter by quarter, month by month, and look at the trends. Calendar year 2010 projections are a 3-4% decline in RevPar across the country. Mr. Warren stated that the TPC needs to be accurate in our projections. The last analysis was in February, and things have changed. Mr. Warren stated that the Board needs to look at things quarter by quarter and month by month. Richard Bartell asked what funding is left. Bill Evans asked what happens if funding goes down significantly. Mr. Warren suggested appointing a subcommittee to address this issue. Mr. Terzi stated that presents a difficulty for Convis. Mr. Terzi stated that this would be an additional fluctuation in Convis funding. Convis fixed allocations already fluctuate and if the Board change the funding, it would be a significant challenge. Convis would rather have a lower fixed number. Mohsen Khaleghi asked if the Board can appoint a subcommittee. Terry Brown stated that the Board can, but there are many vendors that have relied on the amounts the Board has voted on and approved. Mr. Warren stated that as long as the Board keeps \$800,000 in reserves, the Board can proceed and look at it. Al Kidd, from the Sports Commission, stated that this information is 45 days old that and suggested the Board look at a 90 day running average. Mr. Bartell stated that if the Board is down \$150,000 in May, the Board will be down more than that in June. A motion was made by Ray Warren to have the Treasurer, Convis, the City and Bob Rauch meet and look at projections and report back at the Board meeting set for August 7th. A second was made by Richard Bartell. Yes 7, No 0, Abstain 0.

Joe Terzi gave a presentation to the Board asking for a fixed amount for Convis' allocation. Mr. Evans stated that it makes sense to use a fixed amount. Bob Rauch joined the Board meeting in progress. Mr. Evans stated that the Board needs to look at Convis budget as a whole (fixed and incremental). Lorin Stewart stated that there is a limitation of \$2 million in advances and that Convis has a challenge with fluctuating funding. Mr. Terzi stated that the process is difficult. Convis has \$5 million now processing through the City. Mr. Terzi stated that Convis needs a line of credit to be able to operate. Meredith from the City stated that you cannot use TMD dollars to pay interest on loans. Mr. Evans asked if the City would entertain changes in the agreement. Meredith stated that they would but it would need approval by City Council. Mr. Brown stated that the Board will make adjustments when the TPC is renewed. No motion was made on this item.

12. **Convis FY 2009 Contract Reimbursement Percentage for Previous CEO:**
The Board had a discussion regarding the contract reimbursement for separation for previous CEO. Salary was 90% TMD funds and 10% other Convis income. The TMD was billed 100%, when it should have only been billed 90%. Convis is requesting 90% instead of 100%. Bill Evans asked if the City was directing the TPC on this item or giving information about consistency. Meredith responded that the City was giving information. A motion was made by Richard Bartell to approve 90% contract reimbursement for previous CEO. A second was made by Patrick Duffy. Yes 8, No 0, Abstain 0.
13. **Convis FY 2009 "Roll Over" Funding Approval for Incremental Programs:**

The Board heard presentations from two groups requesting “roll over” funds for 2009 incremental programs. Kerri from Convis presented the UK promotion. Convis is requesting \$98,000 in unspent dollars be rolled over into FY 2010 budget. SanDiego.com spent \$90,000 of their \$290,000 budget. The group is requesting the Board roll over the remaining \$200,000 to FY 2010. Joe Terzi state that the return on investment for the SanDiego.com program is not as strong as expected and that Convis will ask to redirect the \$200,000.

14. **FY 2010 Incremental Funding Application Review: Convis Arizona Promotion**
Kerri from Convis gave an overview of the plan for the Arizona Promotion. Convis will use mainly television ads for this promotion. Phoenix has 1.9 million TV households. Convis will also use some traffic radio and other online sites. Convis is requesting \$300,000. The average stay for a visitor from Arizona is 3.5 nights. The projected revenue is \$5.2 million with a return on investment of 17:1. No action was taken on this item.
15. **FY 2010 Incremental Funding Application Review: Convis San Diego East County Promotion**
Kerri from Convis presented the Board with a plan for the San Diego East County promotion. Convis stated that it is excited about opportunities to partner with local organizations. In 2008, 630,000 room nights were sold to San Diego County residents. The proposal is for \$75,000 to be spent on radio, \$12,800 for radio/podcasts (“travel like a local”) and \$30,000 for Union Tribune (inserts, sign on sandiego.com, and email marketing). The total request is for \$117,800. There was no action taken on this item.

Informational Items:

Chairman’s Report – There were no additional items reported on as part of the Chairman’s Report.

Treasurer’s Report – There were no additional items reported on as part of the Treasurer’s report.

Executive Director’s Report – Lorin Stewart stated that the insurance policies had been renewed.

CONSENT:

5. None

6. **Motion to Adjourn**

The meeting was adjourned by Chairman Brown without objection at 11:45 a.m.

Approved _____
Luis Barrios, Secretary

Date _____