



**SAN DIEGO TOURISM MARKETING DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING
Town and Count Resort Hotel – Fairfield Room
500 Hotel Circle North, San Diego, CA 92108
Friday, June 11, 2010
9:00 am to 12:30 p.m.**

MINUTES

Roll Call

C. Terry Brown, Chairman, called the meeting to order at 9:13a.m.

Board members present: Terry Brown, Richard Bartell, Bob Rauch, Luis Barrios, Patrick Duffy and Mohsen Khaleghi.

Board members absent: Bill Evans, Kerri Robinson and Ray Warren.

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

John Lambeth reported that members of the audience are welcome to address the Board on items on the agenda and items not on the agenda. Mr. Lambeth stated that Board members are discouraged from speaking with applicants and must disclose any communication they have had with an applicant. Mr. Lambeth also informed the Board of the rules associated with recusal.

PUBLIC COMMENT:

There was no Public Comment

ACTION ITEMS:

- 1. Approval of Minutes:
There were no changes to the Minutes from the SDTMD Board of Directors meeting on May 21, 2010. A motion was made by Luis Barrios to approve the minutes. There was a second from Richard Bartell. Yes 6, No 0, Abstain 0.**
- 2. FY 2010 Cost Allocation Audit Tests:
Doug Clevenger from Robert R. Redwitz & Co. presented information regarding cost allocations for San Diego North CVB. Bob Rauch asked about a meeting with San Diego North. Chairman Brown reported that Richard Bartell, Chairman Brown and Lorin Stewart met with Cami Mattson, members of her board, and her staff. San Diego North CVB had presented a large amount of documentation to support the test months' cost allocation audit tests. The audit reported that the proportion of TMD to total group room night production for the fiscal year-to-date March 31, 2010 was 46% within the TMD. The proportion of total TMD leads for fiscal year-to-date March 31, 2010 was 72%. Those present at the meeting agreed that as long as the City staff agreed, the**

reimbursement percentage would be made at 72%. Chairman Brown stated San Diego North CVB would try to restructure so there would be no question about the expenditures being 100% to benefit TMD businesses. A new budget will be presented at a future Board meeting. Meredith Dibden-Brown from the City of San Diego reported that the City is supportive of this approach.

A motion was made by Chairman Brown to accept the report on San Diego North. A second was made by Luis Barrios. Yes 6, No 0, Abstain 0.

Doug Clevenger from Robert R. Redwitz & Co. reported on the cost allocation audit for Convis. The audit reported that the proportion of TMD to total group room night production for the fiscal year-to-date March 31, 2010 was 95% within the TMD. The proportion of total TMD leads for fiscal year-to-date March 31, 2010 was 85%. These percentages were with within historic / current TMD reimbursements. A motion was made by Chairman Brown to accept the cost allocation audit for Convis. A second was made by Luis Barrios. Yes 6, No 0, Abstain 0.

3. SDTMD: FY 2011 ConVis Budget Allocation:

Joe Terzi of Convis reported that Convis has been reviewing budget line items and proposing to make adjustments. There is about \$700,000 that has not been expended for 2009. Mr. Terzi proposed that these funds be transferred to 2010 for the web development project. Mr. Terzi also asked for a carryover of approximately \$300,000 for the OTA program for 2010. Lorin Stewart indicated the City is supportive of the proposed reallocation. Wes from Accessible San Diego requested that Accessible San Diego be included as a line item in the 2011 budget.

A motion was made by Bob Rauch to approve the FY 2011 Convis budget as modified by Convis. A second was made by Luis Barrios. Yes 6, No 0, Abstain 0.

4. SDTMD: FY 2010 Interest and Budget:

Jere Batten reported that there was an additional \$400,000 (approx.) in interest that is now in the catastrophe fund. Ms. Batten proposed that the \$75,000 be reallocated to the incremental fund to be used for expenses related to all performance and cost allocation audits. Bob Rauch asked about additional dollars for the Holiday Bowl. Ms. Batten reported that the Holiday Bowl FY 2011 proposed funding had been adjusted to reflect the additional dollars that were due.

A motion was made by Mohsen Khaleghi to approve the reallocation of the interest from the Catastrophe fund. A second was made by Patrick Duffy. Yes 6, No 0, Abstain 0.

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 – There were no additional items reported on as part of the Executive Director's report.

Motion to Adjourn

The meeting was adjourned by Chairman Brown without objection at 9:45 a.m.

Approved _____ Date _____
Luis Barrios, Secretary