



**SAN DIEGO TOURISM MARKETING DISTRICT
BOARD OF DIRECTORS MEETING
Bahia Resort Hotel: Marina Room
998 West Mission Bay Drive, San Diego, CA 92109
Friday, March 18, 2011
9:00 am to 12:30 p.m.**

MINUTES

Roll Call

C. Terry Brown, Chairman, called the meeting to order at 9:08a.m.

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

Board member absent: Bill Evans.

Also in attendance: Jere Batten, Lorin Stewart, Executive Director 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

Crew Classic starts in 2 weeks. For FY12, Crew Classic requested \$215,000, the Board granted \$190,000. This year there was a 33% increase in participants, which equates to another 1,000 room nights just for participants.

Tim McGrane from Deluxe San Diego said the event will be held April 14-16. It is a small event targeted to high net worth individuals with a focus on luxury yachts.

ACTION ITEMS:

1. Approval of Minutes

A motion was made by Luis Barrios to approve the minutes. There was a second from Richard Bartell. Yes 8, No 0, Abstain 0.

2. Initiate FY 2012 Board Election Process

The appointed nomination committee includes Terry Brown, Keri Robinson and Luis Barrios. The committee approved the criteria and schedule with a change in the ballot closing date, moving it to June 1, 2011.

There was a motion by Khaleghi and a second by Duffy. Yes 8, No 0, Abstain 0.

3. FY 2010 Performance Audits

Doug from Redwitz reported on the results from the audits. He detailed each of the recipients' reported ROI and their audited ROI.

Warren asked about timing and procedures used for the ROI analysis. Khaleghi asked about how the vendors and TMD could learn from some of the audited numbers. Terzi and Robinson from Convis reported on their methodology. In addition, they reported that they worked with the research firm to learn how to be as accurate as possible.

There was a motion to accept all audits by Rauch. This was seconded by Warren. Yes 8, No 0, Abstain 0.

4. Addendum to MJE Contract

Brown reported a need to hire a contractor to perform the work previously done by Bob Nelson and recommended that MJE be hired.

There was a motion to approve the proposed contract by Brown. This was seconded by Rauch. Rauch asked about a \$2,500 retainer in addition to the \$1,500. Stewart explained that the \$2,500 is the existing contract and the \$1,500 is the proposed work. Warren said MJE was a very strong choice for this work. Yes 8, No 0, Abstain 0.

5. FY 2012 Applicants' Revised Budgets

Terzi presented a summary of their reported budget. Terzi reported on office lease status. Convis decided on Symphony Tower; Terzi said it was very good pricing. Warren and Bartell agreed.

Bartell asked about when the new website will be live. Terzi stated he anticipates it to be fully operational in September.

Brown asked for an update on SD North. Terzi said that Convis continues to meet with the SD North Board. Terzi said the open question is whether a separate sales group can be successful at just selling that group of hotels. He said there is a very strong partnership with the Sports Commission. Robinson reported on the various marketing approaches to promote the lodging properties within SD North. Bartell asked about the results from SD North efforts.

There was a motion by Warren to accept the budgets for Convis and SD North and the revised budget for British Airways. There was a second by Barrios. Yes 8, No 0, Abstain 0.

Lorin Stewart gave a briefing on the budget revisions. Bartell asked if there were any changes in ROI with the budget changes. Stewart reported that there were some changes in ROI, generally upward.

There was a motion by Bartell to approve the revised budgets of Crew Classic, Competitor Group, Bayfair and Accessible San Diego. This was seconded by Barrios. Yes 8, No 0, Abstain 0.

6. FY 2012 SDTMD Budget

Brown recommended that Stewart receive a 5% increase. He has not had an increase in 3 years. Batten reported that the City has not closed out 2010 so we do not have all of the numbers. She said the interest appears to be \$100,000 higher than projected and the collections appear to be \$400,000 higher than projected.

Bartell asked about City timing for closing 2010. Meredith Dibden-Brown said it may be around the end of the month.

There was a motion by Duffy to approve the revised budget. This was seconded by Khaleghi. Yes 8, No 0, Abstain 0.

The next meeting is scheduled for May 20, 2011.

Motion to Adjourn

The meeting was adjourned by Chairman Brown without objection at 10: 20a.m.

**Approved _____ Date _____
Luis Barrios, Secretary**