

**SAN DIEGO TOURISM MARKETING DISTRICT  
REGULAR BOARD OF DIRECTORS MEETING  
Bahia Resort Hotel: DEL MAR ROOM  
998 West Mission Bay Drive, San Diego CA 92109  
Friday, May 21, 2010  
9:00 a.m. to 12:30 p.m.**

**MINUTES**

**ROLL CALL:**

C. Terry Brown, Chairman, called the meeting to order at 9:05a.m.

Board members present: Terry Brown, Richard Bartell, Bob Rauch, Luis Barrios, Bill Evans, Patrick Duffy and Kerri Robinson.

Board members absent: Mohsen Khaleghi and Ray Warren.

Also in attendance: 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.

Evans disclosed he had a discussion with Joe Terzi regarding Convis' initiatives.

**PUBLIC COMMENT:**

Joe Terzi said that Convis is working on bringing PCMA to San Diego.

The commitment to PCMA is approximately \$1 million in cash, with a \$1.6 million total commitment. Convis had previously requested funding from the TMD and then PCMA pulled back. Convis will be looking for significant money for PCMA in Fiscal Year 2012. The request will be for approximately \$600K.

**ACTION ITEMS:**

1. **NAESP and ACTE Reallocation of Approved Funds:**  
Sandra from the Convention Center requested a reallocation of approved funds to the society of Hematology. Evans said this is a good opportunity. He asked why the TMD should be paying for this when Convention Center has financial reserves. Rauch said that this is a bigger question and should be put on an agenda for a later date. Chairman

Brown said that when the TMD was being formed it was their intent not to fund other city obligations.

Chairman Brown moved the reallocation, and a second was made by Bob Rauch. Yes 7, No 0, Abstain 0.

2. Approval of Minutes:

There were no changes to the Minutes from the SDTMD Board of Directors meeting of March 19, 2010. A motion was made by Luis Barrios to approve the minutes. There was a second from Richard Bartell. Yes 7, No 0, Abstain 0.

There were no changes to the Minutes from the SDTMD Board of Directors meeting of April 23, 2010. A motion was made by Luis Barrios to approve the minutes. There was a second from Bob Rauch. Yes 4, No 0, Abstain 3 (Bartell, Duffy and Robinson).

3. Crew Classic FY 2010 Reallocation:

The Crew Classic requested a reallocation of \$15,500 to the video budget.

A motion was made to approve by Bill Evans. There was a second by Richard Bartell. Yes 7, No 0, Abstain 0.

4. FY 2011 Program Metrics:

Susan reviewed the proposed SDTMD ROI measurement policy.

Bartell asked for a clarification of payment of costs related to surveys.

Lorin Stewart stated that initially there were limited threshold TMD standards for determining ROI. The goal is that by June, the approved metrics will be part of the agreements with recipients of the TMD monies.

Ms. Robinson asked about "survey assistance". Lorin Stewart responded that it is technical assistance as well as funding available to help pay for the survey. Bartell asked if the recipient will be paying for the survey. Lorin responded "yes". Brown asked if each contract will have a set of questions. Lorin said "yes". Joe Terzi asked for a clarification about survey questions. Lorin said questions will be developed to be included in the surveys. Bartell asked if the TMD questions would be part of the recipient's survey or separate. Lorin said it would be part of the recipient's survey. Terzi said that it would be advisable to continue to discuss whether or not the TMD questions should be handled separately. Evans said that the "bottom line" is that the TMD is going to pay for the survey questions. Evans suggested that there should be one large contract even if there are separate surveys.

Carl Winston referenced the letter he sent to Lorin Stewart, dated May 18, 2010. In particular he referenced points 1 and 2 as it relates to independent verification.

- 1) Data are *independently* gathered and verifiable.
- 2) Data are reviewed by an independent 3<sup>rd</sup> party (such as San Diego State.)

Carl also said that recipients need to identify specific benefits to TMD hotels, not hotels outside the city and not hotels under 70 rooms.

Evans emphasized that the survey work should be looking at the bigger picture. Bartell

asked that the presenters be prepared to respond to Evans' comments. Also, they should be prepared to provide scope and cost information. Bartell commented that the TMD is focused on ROI. The TMD will need to get information that will help the TMD Board make good funding decisions. Terzi said that the TMD already funds research. Convis spends \$280,000 per year on research. Convis works with Mering on focus groups. Terzi offered to have Mering make a presentation of current research efforts at the next meeting.

A motion was made by Bob Rauch to continue to next regular board meeting. A second was made by Richard Bartell. Yes 7, No 0, Abstain 0.

**5. FY 2010 Cost Allocation Audit Tests:**

San Diego North and Convis were thanked for providing information. One issue that was identified was TMD funds used to benefit TMD properties and spent to benefit non-TMD properties. The auditors reviewed the allocation of the expenditures in March 2010 and November 2009. The expenditures fell into three categories:

- 1) Activities that are objectively verifiable and reproducible.
- 2) At the other end of the spectrum, is the instinctive or anecdotal information.
- 3) The largest category is allocations that are between numbers one and two.

Chairman Brown asked if reports can be ready in two to three weeks. The reports should be ready in three weeks. Evans asked for a copy of the reports as soon as possible. Chairman Brown indicated that he will call a special meeting for June 11, 2010.

Chairman Brown moved to continue item to June 11, 2010, and a second was made by Patrick Duffy. Yes 7, No 0, Abstain 0.

**6. FY 2010-2011: SD Bayfair / Thunderboats Unlimited Scope of Work and Budget:**

The power boat racing organization reported that their event has some positive new developments. Their Board has been reorganized, and there are over a hundred new powerboat teams. Delaying funding will hurt their efforts. Thunderboats has been a legacy event since 1964. Thunderboats is requesting reinstatement of the \$50,000 allocation. Bartell asked about TMD Board priority for this group and it was reported to be nine out of sixteen. Lorin stated that eleven actually received funding. Bartell asked about the process by which this event was not funded. Chairman Brown asked Meredith Dibden-Brown as to the City's process if the TMD Board wanted to fund this event. Meredith stated it could be done through incremental allocation. Evans said this is a legacy event and requested more information about the class of boats racing. He asked about staff of the event and the organization. Chairman Brown said that Thunderboats needs to make a full presentation to the TMD Board so they will know more about the event.

A motion was made by Luis Barrios to continue this item to next regular board meeting on June 18, 2010. A second was made by Richard Bartell. Yes 7, No 0, Abstain 0.

**INFORMATIONAL ITEMS:**

FY 2011 Budget and Finance Report was distributed by Lorin Stewart.

Richard Bartell summarized the program for the May 24<sup>th</sup> Rev Par workshop.

John Lambeth gave an update on the Board of Directors elections.

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.

**CONSENT:**

None

**MOTION TO ADJOURN:**

The meeting was adjourned by Chairman Brown without objection at 10:40 a.m.

Approved \_\_\_\_\_  
Luis Barrios, Secretary

Date \_\_\_\_\_