

SAN DIEGO TOURISM MARKETING DISTRICT
BOARD OF DIRECTORS REGULAR MEETING & CLOSED SESSION
Catamaran Resort Hotel & Spa – Room: Macaw & Cockatoo
3999 Mission Boulevard, San Diego, CA 92109
Friday, February 26, 2016
8:00 a.m.

MINUTES

CALL TO ORDER:

Bill Evans, Chairman, called the meeting to order at 8:02 a.m.

Board members present: Bill Evans, Jody Blackinton, Colleen Cronin Anderson, Terry Brown, Scott Hermes, Thomas Voss, John Gates and Richard Bartell.

Board member absent: Matt Greene.

Also in attendance: Jere Batten, Batten Accountancy; John Lambeth, attorney and Lorin Stewart, Executive Director.

CLOSED SESSION PUBLIC COMMENT:

None.

CLOSED SESSION ITEMS:

John Lambeth said the Board will be discussing the two items on the closed session agenda.

ADJOURN TO CLOSED SESSION:

Chairman Evans adjourned the meeting to closed session at 8:04 a.m.

ADJOURN TO OPEN SESSION:

Chairman Evans reconvened the meeting to open session at 9:30 a.m.

CLOSED SESSION REPORT:

John Lambeth reported that there were two reportable actions from the closed session.

- 1) The Board hired Brian Hughes as the new executive director of the SDTMD.
- 2) The Board delegated authority to the members of the Ad Hoc Selection Committee to negotiate the compensation package.

INTRODUCTIONS:

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 communications they have had with an applicant. Mr. Lambeth also informed the Board of the rules associated with recusal.

Chairman Evans disclosed his conversation with Bruce from the Rock-n-Roll Marathon.

Chairman Evans indicated he would recuse himself from the discussion on the Farmers Open.

PUBLIC COMMENT:

- 1) Bruce Walton, from Rock-n-Roll Marathon, discussed the issue of adding more races. He said they must find 25,000 more runners each year.
- 2) Sandy Hill, from California State Games, said they are doing a joint proposal with SDTA for the USA Masters games.
- 3) Jody Cilley, from the San Diego Film Consortium, talked about the new film efforts to bring even more visitors to San Diego.
- 4) Darlene Disney, from San Diego Crew Classic, said that they have resubmitted Exhibit E with new data on room nights.

INFORMATION ITEMS:

None.

ACTION ITEMS:

- 1) Approval of Minutes: The February 5, 2016 SDTMD meeting minutes were reviewed and considered for approval. Mr. Bartell moved to approve the minutes. Mr. Voss seconded the motion. Yes 8, No 0, Abstain 0.
- 2) SDTMD Corporation Executive Director Candidate Selection: Mr. Hermes gave background on the selection process and the hiring of Brian Hughes. He said Lorin Stewart left big shoes to fill. Chairman Evans commented on the invaluable work that Mr. Stewart has done for the SDTMD. The SDTMD would not have been nearly as successful without the efforts of Mr. Stewart. Mr. Gates moved to extend the employment of Lorin Stewart by one month to April 1, 2016. Ms. Blackinton seconded the motion. Yes 8, No 0, Abstain 0.
- 3) FY 2016 Regular Meeting Schedule Revision: Lorin Stewart gave background on revised dates. Mr. Brown moved to change the date of the March 18, 2016 meeting to March 25, 2016. Ms. Anderson seconded the motion. Yes 8, No 0, Abstain 0.
- 4) FY 2015 SDTMD Corporation Tax Return: Ms. Blackinton gave background on the audit and tax return. Ms. Blackinton moved to approve the audit and tax return. Mr. Hermes seconded the motion. Yes 8, No 0, Abstain 0.
- 5) FY 2017 Board of Directors Election – Slate of Candidates: Lorin Stewart gave background on the election process. He said he received eight self-nominations. Mr. Hermes reported the Ad Hoc Nominating Committee would not put forward a separate slate. The self-nominations will appear on the ballot. Ms. Anderson moved to review and approve self-nominations and approve

all eight for the ballot. Mr. Brown seconded the motion. Yes 8, No 0, Abstain 0. Chairman Evans thanked Tom Voss for all of his efforts as a Board member of the SDTMD.

- 6) FY 2017 San Diego Tourism Authority (SDTA) Annual Application Presentation: Joe Terzi reported on the visitor industry performance indicators. Mr. Evans asked about room nights. Joe Terzi talked about the increase in ADR, occupancy, and RevPAR in the top 25 markets in general, and in San Diego in particular. He also discussed the sub-regional performance. He reported on the Tourism Economics forecast. He also talked about how SDTA's programs are aligned with the Master Plan.

Kerri Kapich, from SDTA, talked about SDTA's work with Tourism Economics to analyze international markets. She discussed content development and brand. She shared video clips on the Padres, food, craft beer and nightlife in San Diego. She reviewed the strong partnerships SDTA has with the City, Cox Communications, San Diego Magazine, Visit California, and Brand USA. Ms. Kapich talked about competitive threats from other destinations. Marjorie Sitton, from SDTA, talked about the strategic sales priorities. Mr. Terzi talked about citywide sales projections. Ms. Kapich discussed marketing core metrics. She also reviewed the FY2017 advertising plan. Mr. Terzi reviewed the proposed FY2017 budget summary. Mr. Evans asked about any existing commitments to groups. Joe Terzi said there are none.

- 7) TMD Forecast: Jere Batten reported the expected revenue of \$38,547,333. Ms. Blackinton reported that the City reserve amount will be \$10,500,000 in FY2017. Ms. Blackinton moved to not set aside additional funds from FY2017 into the opportunity catastrophe fund. Ms. Anderson seconded the motion. Yes 8, No 0, Abstain 0.

Ms. Blackinton moved to utilize the \$482,375 in the Category B funds in the FY2017 budget. Mr. Brown seconded the motion. Yes 8, No 0, Abstain 0.

- 8) FY 2017 Funding Allocations: Chairman Evans reviewed the Board members ranking for all the applicants. Mr. Bartell asked about opportunities for new airline flights. Mr. Bartell asked about opportunities to find savings in SDTA's budget. Mr. Gates talked about the need for funding for some of the smaller events and activities. Mr. Bartell asked to look at a revised budget if SDTA reduced their budget by \$1,000,000. Mr. Brown suggested that the SDTMD ask the City about reducing the \$10,500,000 set aside to be able to fund some of the needed efforts.

Mr. Bartell moved to approve funding for the San Diego Bowl Games Association in the amount of \$450,000. Mr. Brown seconded the motion. Yes 7, No 1-Gates, Abstain 0.

Mr. Gates moved to approve funding for the San Diego Brewers Guild in the amount of \$74,900. Mr. Hermes seconded the motion. Yes 8, No 0, Abstain 0.

Mr. Brown moved to approve funding for the California State Games in the amount of \$150,000. Mr. Gates seconded the motion. Yes 8, No 0, Abstain 0.

Mr. Brown moved to approve funding for the San Diego Crew Classic in the amount of \$200,000. Ms. Anderson seconded the motion. Yes 8, No 0, Abstain 0.

Lorin Stewart said the budget will go to the City on April 10, 2016.

Mr. Brown moved to end discussion and take \$94,129 from contingency. Mr. Voss seconded the motion. Yes 8, No 0, Abstain 0.

Mr. Bartell moved to approve funding for the SDTA in the amount of \$29,227,892. Mr. Hermes seconded the motion. Yes 8, No 0, Abstain 0.

- 9) FY 2017 SDTMD Consolidated Budget: Mr. Brown moved to approve the consolidated budget. Ms. Anderson seconded the motion. Yes 8, No 0, Abstain 0.

Chairman Evans adjourned the meeting without objection at 12:07 p.m.

Approved _____
Colleen Cronin Anderson, Secretary

Date _____