

**MINUTES OF THE  
BOARD OF DIRECTORS MEETING  
ORLANDO/ORANGE COUNTY CONVENTION & VISITORS BUREAU, INC.  
ORLANDO CVB OFFICES**

**DATE:** April 22, 2009

**TIME:** 8:00 a.m.

Executive Committee	Elected/Designated Board of Directors			CVB Staff	Legal Counsel	Guests
<u>Present:</u>	<u>Present:</u>	<u>Absent:</u>		Danielle Courtenay	Tom Garwood	Joe Pokrywa, TAM Airlines
George Aguel, Chair	Jessie Allen	Brooke Bonnett	Leslie Menichini	Larry Henrichs		Gaston Rodriguez
Paul Tang, Chair-Elect	Don Engfer	Randy Cook	J. Brian Paradis	Marie McLean		
Steven Jamieson, Treasurer	Pat Engfer	Joe Couceiro	Ronald O. Rogers	David Sargent		
Mark McHugh, Past Chair	Mark Ferland	Ed Gilbert				
Carolyn Fennell, Ex-Officio	Margot Knight	Kevin Healy				
Bill Davis, Director at Large	Yolanda Londoño	Dan Holsenbeck				
Gary Sain, President	George Rodon	C. T. Hsu				
	Alan Villaverde	Fred Leonhardt				
	Stephen Weisz	Rich Maladecki				
		Paul Mears, III				

AGENDA ITEMS	ACTION ITEM	DUE DATE
<b>I. Corporate Ambassador</b>  Gaston Rodriguez, Commercial Manager Florida, presented an update to the Board on TAM Airlines.		
<b>II. Call to Order</b>  George Aguel called the meeting to order at 8:30 a.m.		
<b>III. Meeting Minutes</b> <b>A. <u>Approval of Minutes</u></b> George Aguel called for the approval of the meeting minutes.  <i>Upon motion by Alan Villaverde, seconded by Paul Tang, the minutes of the March 13, 2009 Board of Directors meeting minutes were approved.</i> <b>B. <u>Executive Committee Minutes</u></b> The March 25, 2009 Executive Committee minutes were provided to the Board of Directors for their information.		

<p><b>IV. Consent Agenda</b></p> <p><b>A. <u>Membership Report</u></b>  There were no exceptions to the membership report for March 2009.</p>		
<p><b>V. Financial Update</b></p> <p><b>A. <u>Presentation of the December 31, 2008 Auditors' Report and Audit Committee Report</u></b>  Larry Henrichs indicated that the auditors' report on the December 31, 2008 financial statements had been issued the previous day. As the financial statements had already been presented to and approved by the Board of Directors at the February meeting and the audit did not require any adjustment to those financial statements, a detailed financial review was not going to be presented at this meeting. Mr. Henrichs did however circulate copies of the audited financial statements for the Board members review.</p> <p>Steven Jamieson, chair of the Audit and Oversight Committee, then presented the committee report. The Audit and Oversight Committee had met with the engagement partner and manager from Moore Stephens Lovelace P.A., certified public accountants. Mr. Jamieson indicated that the Audit and Oversight Committee had discussed the financial statements and audit process extensively with the auditors, including an executive session with the auditors where Orlando/Orange County CVB staff was not present. Mr. Jamieson indicated that the auditors had reported favorably on the audit and Orlando/Orange County CVB's staff. Specifically, he indicated that the auditors reported that there were no adjustments proposed or made to the financial statements, that there were no disagreements with management during the audit, and that there were no issues noted in completion of the audit. Mr. Jamieson also circulated to the Board a letter from the auditors discussing the scope of their review of the internal control and financial reporting environment, indicating that no material or significant internal control deficiencies were noted during the audit.</p> <p>Mr. Jamieson indicated that the Audit and Oversight Committee had discussed with the auditors the possibility of proactively expanding the scope of the audit to include additional compliance testing to help ensure the Orlando/Orange County CVB's compliance with their contract with Orange County. Mr. Jamieson indicated that the committee's recommendation was for staff to budget for additional funds for compliance testing in 2010.</p> <p><i>Upon motion by Alan Villaverde and seconded by Jessie Allen, the Board voted to accept the audited December 31, 2008 financial statements.</i></p>		

<p><b>B. <u>Tourist Development Tax and Industry Indicators Report</u></b>  Larry Henrichs then presented the Tourist Development Tax and Industry Indicators Report. He noted that the format had been changed to provide additional state and national comparisons for local industry performance. Mr. Henrichs indicated that the TDT collections had declined 28 percent for the month of February, resulting in a payment to the Orlando/Orange County CVB of \$2.4 million. This payment was 49.7 percent lower than the comparable month in 2008, related to the change in the Orlando/Orange County CVB's funding contract as well as significant declines in the TDT collections. Mr. Henrichs reviewed other occupancy, demand and ADR comparisons for the month and year-to-date.</p> <p><b>C. <u>Review March 31, 2009 Quarterly Financial Statements</u></b>  Larry Henrichs presented the comparative March 31, 2009 and December 31, 2008 balance sheets, discussing the nature of variances in accounts receivable and accounts payable and accrued expenses.</p> <p>Mr. Henrichs then presented results of operation for the first quarter. Mr. Henrichs indicated that the annual budget presented for the financial statements reflected projections of a 10 percent decline in TDT collections, as requested previously by the Board of Directors. Mr. Henrichs pointed out this revised budget indicated a planned net loss in excess of \$3 million. Mr. Henrichs reminded the Board that a portion of 2009 expenses are being covered by \$2.4 million of savings from 2008, as previously approved by the Board. Mr. Henrichs also indicated that while the documented budget is based on a TDT decline of 10 percent, the CVB team had made other cuts that will be applied to operations to react to a TDT decline of up to 20 percent while keeping the CVB's sales and marketing programs intact as much as possible. TDT reductions to the 20 percent level will use approximately \$1million of accumulated net income reserves from previous years, as discussed at the February 2009 Board meeting.</p> <p>Mr. Henrichs discussed variances in the TDT revenue, as well as destination meeting services revenue. In addition, Mr. Henrichs discussed the nature of first quarter expense variances in destination meeting services, interactive services, leisure marketing, and international marketing.</p> <p><i>Upon motion by Mark McHugh and seconded by Steve Weisz the Board voted to accepted the March 31, 2009 Financial Statements.</i></p>	<p>Alan Villaverde inquired about the TDT numbers after September 11, 2001. Larry Henrichs will check and report back.</p>	
<p><b>VI. <u>A. Transparency</u></b></p> <p>George Aguel recapped to date our communication with Mayor Crotty and our response to his February 20, 2009 letter. The Board reviewed sections 2.10.1, 02, 06, 07, 08 and 2.11.1, .8, .9 of the First Addendum to the 2007 Tourism Promotion Agreement between Orange County</p>	<p>By-Law changes will be distributed to members after April 28, 2009 Board of</p>	

<p>and the Orlando/Orange County Convention &amp; Visitors Bureau, Inc. An extended discussion was held regarding the agreement. Some of the changes in the agreement would require By-Law changes to be voted on by the membership at the May 15, 2009 member luncheon as a special meeting of the members</p> <p><i>Upon motion by Steve Weisz and seconded by Alan Villaverde the Board voted to approve the First Addendum to the 2007 Tourism Promotion Agreement between Orange County, Florida and the Orlando/Orange County Convention &amp; Visitors Bureau, Inc and the related By-Law changes.</i></p>	<p>County Commission meeting pending approval.</p>	
<p><b>VII. Departmental Updates</b></p> <p><b>A. <u>Meetings &amp; Conventions Update</u></b>  Dave Sargent provided a brief update to the board on the Orlando CVB's team activities. The sales team has been out on the road at various customer and industry functions including PCMA foundation, ASAE, Springtime in the Park and Washington, D.C. sales mission. Mr. Sargent informed the Board that there has been some slowing in cancellations in the marketplace. Additionally, there is a large tradeshow from a competitive city, that is seriously considering to convene in Orlando for the first time. We will know more by this June.</p> <p><b><u>Leisure Marketing Update</u></b>  Danielle Courtenay provided a brief update to the Board on our Marketing efforts. The domestic campaign, Bundles of Free Smiles, is in full swing. Second quarter additions included elevated publicity efforts, Deal of the Week, online and partnerships with Southwest Airlines and Travelocity. Web traffic is up double digits for the first quarter. Ms. Courtenay also discussed the year of the Travel agent and upcoming rollout of the Orlando Travel Academy online training program and Brazilian marketing campaign. Launched in March, the co-op campaign includes television, online and print driving consumers to a campaign page on the Web site. Ms. Courtenay informed the Board of upcoming key dates for the CVB in relationship to National Travel and Tourism Week May 11-18.</p>	<p>The Meetings &amp; Conventions Web site update deferred to our next meeting</p>	
<p><b>VIII. A. <u>Board Secretary</u></b>  George Aguel informed the Board the Nominating Committee met regarding filling the Board Secretary position vacated by Louis Robbins resignation. Don Engfer was nominated and agreed to fill that position. George Aguel called for the approval of Don Engfer to Board Secretary.</p> <p><i>Upon motion by Carolyn Fennell, seconded by Jessie Allen, Donald Engfer's nomination to Board Secretary was approved.</i></p>		

**IX. Adjournment**

There being no further business the meeting was adjourned at 10:15 a.m.

APPROVED:

  
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Donald Engfer, Secretary

DATE:

5/29/09