

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

**DATE:** July 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>		
George Aguel, Chair	Brooke Bonnett	Rich Maladecki	Steven Jamieson, Treasurer	Cecellia Dantzier
Paul Tang, Chair-Elect	Randy Cook	Paul Mears, III	Jessie Allen	Larry Henrichs
Don Engfer, Secretary	Mayor Buddy Dyer	Leslie Menichini	Joe Couceiro	David Sargent
Mark McHugh, Past Chair	Mark Ferland	George Rodon	Pat Engfer	
Bill Davis, Director at Large	Ed Gilbert	Ronald O. Rogers	Kevin Healy	
Carolyn Fennell, Ex-Officio	Dan Holsenbeck	Alan Villaverde	J. Brian Paradis	
Gary Sain, President & CEO	C. T. Hsu		Stephen Weisz	
	Margot Knight			
	Fred Leonhardt			
	Yolanda Londoño			

AGENDA ITEMS	ACTION ITEM	DUE DATE
<b>I. Corporate Ambassador</b>  Andy Gardiner, Director of Business and Community Relations and Betsey Bell, Manager, Community Relations gave an update on Orlando Health.		
<b>II. Call to Order</b>  George Aguel called the meeting to order at 8:10 a.m.		
<b>III. Meeting Minutes</b> <b>A. June 24, 2009 Executive Committee Meeting Minutes</b> The Board received the June 24, 2009 Executive Committee Meeting Minutes.		

<p><b>IV. Consent Agenda</b></p> <p><b>A. Membership Report</b>  <i>Upon motion by Ron Rogers and seconded by George Rodon, the Board voted to accept the June 2009 Membership Report.</i></p>		
<p><b>V. Financial Update</b></p> <p><b>A. <u>Tourist Development Tax and Industry Indicators Report</u></b>  Larry Henrichs presented the Tourist Development Tax (TDT) and Industry Indicators Report containing data for May 2009. Orange County TDT collections pertaining to May were \$11.2 million, down -20.1 percent over the same period in 2008. The CVB's payment was \$2.3 million, down -44.9 percent. Mr. Henrichs reminded the Board that the decline reflects the change in our contracted funding where we are only receiving roughly 40% of the 6<sup>th</sup> cent. Occupancy for May was down -12.2 percent and ADR was down -5.9% compared to 2008.</p> <p><b>B. <u>Review June 30, 2009 Quarterly Financial Statements</u></b>  Larry Henrichs presented an overview of the June 30, 2009 financial statements. Mr. Henrichs discussed key variances in cash, trade receivables, and accounts payable and accrued expenses on the June 30 balance sheet as compared with March 31.</p> <p>Mr. Henrichs then discussed the results of operations for the 3 months ended June 30, 2009. Mr. Henrichs reminded the Board that the originally approved 2009 budget had been formally revised assuming tax collection levels at a 10% decline. He indicated, as discussed previously with the Board, that the Orlando CVB was currently operating with program levels assuming a 20% decline, so there will be positive variances (savings) against the budget in all expense areas. Revenue variances for the second quarter in interactive services and leisure marketing were discussed. In addition, quarterly variances in operating expenses were discussed. In the convention sales area, the variance from budget included savings from program and operating adjustments, but was primarily a result of the timing of program expenses. Accordingly, some of the \$450,000 variance will turn around later in the year. Mr. Henrichs also discussed savings noted in the administrative and overhead expenses.</p> <p>Mr. Henrichs then reviewed the year-to-date results of operations, noting that the \$800,000 variance in tourist development tax payments was right on track with current expectations. Mr. Henrichs noted that the destination meeting services decline in both revenue and expenses was related to the lower levels of business in that area primarily in the first quarter. Savings in other areas were discussed, and Mr. Henrichs indicated that they were running on target.</p>		

*Upon motion by George Rodon and seconded by Ron Rogers, the Board voted to accept the June 30, 2009 Financial Statements.*

**C. 2010 Marketing Plan/Budget Presentation**

Gary Sain presented an overview of the Orlando CVB's 2010 marketing plan and strategies, coupled with a synopsis of the current environment and industry projections for next year. Mr. Sain explained the extensive 2010 planning and budgeting process, which included CVB-wide meetings starting in December of 2008, coupled with input from our member committees in key market areas. Mr. Sain also indicated that the budget had been presented, in detail, in a series of separate meetings with the Executive Committee.

Danielle Courtenay then presented an extensive overview of the leisure marketing objectives and strategies for 2010, getting into some of the tactical programs anticipated for the year. David Sargent then presented the key marketing and sales strategies for the meetings and convention area.

Larry Henrichs then presented the budget. Mr. Henrichs covered the trending of a number of national economic factors that had been considered in determining revenue projections. Mr. Henrichs also presented historical data on room inventory, room night demand, and average daily rates, together with projections for the remainder of 2009 and 2010. From these, a projection of tourist development tax payments for 2010 of \$28,750,000 was derived. There was extensive discussion of the number of variables involved in projecting 2010 business levels. Mr. Henrichs indicated that a 4% growth in tourist development tax was being used for the budget; however, this would be reevaluated in late 2009 and early 2010 and contingency plans were in place should those revenue levels not be achievable.

Mr. Henrichs went through the budgeted revenues and expenses, with detail breakdowns for convention sales and marketing, domestic marketing, and international marketing. The 2010 budget in these areas was compared against the projected 2009 revenues and expenses. Mr. Henrichs reviewed specific administration items, and indicated that costs in this area were being kept at a minimum and were well below the original 2009 budget and 2008 actual expenses. Mr. Henrichs also presented graphs comparing resource allocation of Orlando CVB operating and program expenses, after netting out the revenue and expenses related to entrepreneurial activities. Also, reserves and future event commitments were reviewed.

*There was a motion by Mark McHugh and seconded by Ed Gilbert to approve the 2010 budget with the assurance that salaries and benefits be re-reviewed predicated on review of economic conditions. The budget was approved unanimously.*

**VI. Old Business**

<p><b>VII. Departmental Updates</b></p>		
<p><b>VIII. New Business</b>  <b>A. Public Board of Directors Meeting</b>  George Aguel informed the Board of the August 26, 2009 Public Board meeting that will take place following the marketing briefing and member luncheon. Mr. Aguel stated that the meeting will have the same format as regular Board meetings, but will not include the member report.</p>		
<p><b>IX. Chairman's Announcements</b></p>		
<p><b>X. Adjournment</b>  There being no further business, the meeting was adjourned at 10:22 a.m.</p>		

APPROVED:   
Donald Engfer, Secretary

DATE: 8/26/09