



# TOURISM MARKETING DISTRICT

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Pablo Velez
- Special 1 year Term  
Executive Director  
TAVA
- CEO  
Lisa Cohen

August 21, 2012

The Honorable Robert J. Trentacosta, Presiding Judge  
Superior Court of California, County of San Diego  
Main Courthouse, 3<sup>rd</sup> Floor  
220 West Broadway  
San Diego, CA 92101

RECEIVED  
AUG 21 2012

EXECUTIVE  
OFFICE

Re: Response to Grand Jury Report, "City of Chula Vista Tourism Marketing District"

Hon. Judge Trentacosta:

I am writing in response to the Grand Jury report filed on May 23, 2012, regarding the Chula Vista Tourism Marketing District (TMD).

The Grand Jury mistakenly purports that the Chula Vista Chamber of Commerce (Chamber) is a responding agency within the meaning of Penal Code section 925a. Section 925a applies to incorporated cities and joint powers agencies. The Chamber is neither an incorporated city nor a joint powers agency. The Chamber serves as the Owners' Association for the TMD in accordance with Streets and Highways Code section 36614.5, which states, "An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose." Despite this, we have addressed each finding and recommendation below.

### FINDINGS

*Finding 01: Many TMD activities are not in compliance with the Management District Plan.*

Disagree. All activities are in compliance with the Management District Plan.

*Finding 02: The blurring of accountability and responsibility makes it difficult to determine how staff and funding are allocated among the Chamber, TMD and ConVis.*

Disagree. The accountability is clear. The TMD is not an entity, it is a funding stream managed by the Chamber. The Chamber must present an annual report on TMD funds and programs, which is reviewed and approved by the City Council on an annual basis.

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*Finding 03: The TMD's varied reporting of its revenue is confusing to observers.*

Disagree. Although the grand jury was confused, the reporting is clear and consistent.

### **RECOMMENDATIONS**

*Recommendation 12-37: Require the TMD staff to standardize its accounting methods in accordance with Governmental Accounting Standards Board rules.*

Implemented. The Chamber has followed the Generally Accepted Accounting Principles propounded by the Governmental Accounting Standards Board in its management of the TMD funds. Additionally, an RFP was issued on April 25, 2012 for an accountant to examine the Chamber's financial records in accordance with GAAP; proposals were received and reviewed, and an accountant, Ronald E. Grund, was hired on May 9, 2012. The audit is in process and is expected to be submitted to the City prior to October 15.

*Recommendation 12-38: Require the TMD to provide an itemized accounting for the \$219,000 reimbursement expense (in the Visitor Information Center expense report for January 2008 – June 2009) and present it to the City Council for formal approval.*

Implemented. An itemized accounting was provided to City staff in 2009. It will be re-submitted to the City Council with the 2012 annual report.

*Recommendation 12-39: Establish goals and performance measures consistent with the Management District Plan.*

Implemented. Goals and performance measures have been in place, and are submitted to the City Council yearly as part of the annual report.

*Recommendation 12-40: Adopt written personnel policies and procedures, including performance evaluations and salary review.*

Implemented. The Chamber has had such policies in place throughout the term of the TMD. An employee handbook is utilized. Salary reviews are conducted by staff, reviewed by the finance committee, and approved by the Board as part of the annual budget. Performance evaluations are conducted annually with staff. Policies for salary and performance reviews are delineated in the employee handbook.

For your information, enclosed is a copy of our initial response to the Grand Jury regarding technical inaccuracies in the report. Thank you for your attention to this matter.

Regards,

  
Lisa Cohen, Chief Executive Officer