

**SAN DIEGO CONVENTION CENTER CORPORATION
BOARD OF DIRECTORS MEETING**

**WEDNESDAY, DECEMBER 14, 2022, NOON
111 W. Harbor Drive, 2nd Floor, Executive Boardroom
San Diego, California 92101**

AGENDA

Pursuant to Government Code section 54953(e)(1)(B), City of San Diego City Council Resolution R-2022-396, and San Diego Convention Center Corporation Resolution No. 2022-16 approved on November 17, 2022, members of the San Diego Convention Center Corporation Board and all of its legislative bodies may participate in public meetings via teleconference or video conference. In the interest of reducing the spread of COVID-19, in-person public participation is prohibited at this time. Board meetings are held live via teleconference at the number indicated at the top of the agenda. Members of the public may participate live in the Board meeting and submit comments live on this teleconference line.

**Telephone number for members of the public
to observe, listen, and address the meeting telephonically:
1(888) 251-2909 – Access code is 6724115#**

1. Call to Order – Carol Kim, Chair

2. Non-Agenda Public Comments

This portion of the agenda provides an opportunity for members of the public to address the Board on items of interest within the jurisdiction of the Board that are not on the posted agenda. Pursuant to the Brown Act, no discussion or action shall be taken by the Board on items not posted on the agenda.

3. Board Committee Reports and Board Action Items

Consent Agenda:

A. Approval of Minutes of Board Meetings of October 26, 2022 and “Special” Board Meeting of November 17, 2022

Action Item(s):

B. Executive Committee (Carol Kim)

(1) Authorization to Adopt Revised SDCCC Strategic Plan

C. Budget Committee (Jeff Gattas)

(1) Financial Update from Chief Financial Officer

D. Audit Committee (Jaymie Bradford)

- (1) Authorization to Place Employee Medical and Employer Paid Basic Life, AD&D and LTD Insurance through Marsh & McLennan Agency LLC Company**

E. Nominating Committee (Carol Kim)

- (1) Election of 2023 Board Officers**

- (2) Ratification of Board Committee Assignments**

4. **President's Report (Rip Rippetoe)**
5. **Chair's Report (Carol Kim)**
6. **Board Comment [Govt. Code § 54954.2(a)(2)]**
7. **Urgent non-agenda items** (must meet the requirements of Government Code, Section 54954.2)

Adjournment

This information is available in alternative formats upon request. To request an agenda in an alternative format, or to request a sign language, oral interpreter, an Assistive Listening Device ("ALD"), or other reasonable accommodation for the meeting, please call Pat Evans at (619) 525-5131 at least two working days prior to the meeting to ensure availability. **Audio copies of Board of Director meetings are available upon request. Please contact Pat Evans at (619)525-5131 or pat.evans@visitsandiego.com to request a copy.**

In compliance with Government Code section 54957.5, non-exempt written material that is distributed to the Board prior to the meeting will be available at the meeting or it may be viewed in advance of the meeting online at visitsandiego.com. Materials distributed to the board after the posting of this agenda also will be available. Please contact Pat Evans at (619)525-5131 or pat.evans@visitsandiego.com if you would like to receive a copy of any material related to an item on this agenda.

Action items on this agenda may be consolidated for voting purposes into a single vote of the Board, to the extent they are routine or otherwise do not require further deliberation. A Board member may comment on an action item before it is voted upon as part of the consolidated vote; however, if a Board member wishes to discuss an action item, that item will not be included in the consolidated vote. If a member of the public wishes to comment upon an action item, they should so advise the Board chair at or before the public comment portion of the meeting, in which case that item will not be included in any consolidated vote.

Agenda Item 3.A

MINUTES*
SAN DIEGO CONVENTION CENTER CORPORATION
THE BOARD OF DIRECTORS

BOARD MEETING OF OCTOBER 26, 2022
Via Teleconference

BOARD MEMBERS PRESENT: Chair Carol Kim and Directors Carlos Cota, Jeff Gattas, Will Rodriguez-Kennedy and Elvin Lai
BOARD MEMBER(S) ABSENT: Directors Shawn VanDiver and Jaymie Bradford

STAFF PRESENT: Rip Rippetoe, Mardeen Mattix, Corey Albright, Andy Mikschl and Pat Evans (Recorder)

ALSO PRESENT: Jennifer Lyon, General Counsel; Kavin Schieferdecker, SDTA Chief Sales Officer, Peter George and Miyuki Freeman and George, Audit Representatives from Macias & Gini O’Connell, LLP

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1. Call to Order

Chair Carol Kim called the Board Meeting to order at 12:04 p.m. in the Executive Boardroom of the San Diego Convention Center Corporation, 111 West Harbor Drive, San Diego, CA 92101.

Chair Kim then called roll to determine which Directors were present on the teleconference:

Director Kim – Present
Director Cota – Present
Director Gattas – Present
Director VanDiver - Absent
Director Bradford – Absent
Director Rodriguez-Kennedy – Present
Director Lai – Present

All Directors were recorded as present except Directors VanDiver and Bradford. Chair Kim noted that all votes taken during this meeting would be recorded via roll call vote.

2. **Non-Agenda Public Comment** –Chair Kim inquired if any member of the public wished to comment on any non-Agenda items. No members of the public responded to the request for comment.

3. **Board Committee Reports and Board Action Items:**

Consent Agenda:

Chair Kim inquired if any Director would like to pull a Consent Agenda item for discussion. Hearing no request to pull a Consent Agenda item, Chair Kim then inquired if any member of the public wished to comment on Agenda Items (3.A) or (3.B). No members of the public responded to the request for comment.

A. **Approval of Minutes of Board Meetings of September 28, 2022, and “Special” Board Meeting of October 21, 2022**

Directors Lai and Cota moved and seconded, respectively, to approve the Consent Agenda as set forth hereinabove.

**Director Kim – Aye
Director Cota – Aye
Director Gattas – Aye
Director VanDiver – Absent
Director Bradford – Absent
Director Rodriguez-Kennedy – Aye
Director Lai – Aye**

Vote: Unanimous

AYES: 5 NAYS: 0 ABSTENTIONS: 0

Action Item(s):

B. **Budget Committee (Jeff Gattas)**

Chair Kim inquired if any member of the public wished to comment on Agenda Item (3.B.1). No members of the public responded to the request for comment.

(1) **Authorize Contract for Electrical Panel Repair Project**

Directors Gattas and Rodriguez-Kennedy moved and seconded, respectively, to Award a contract to Chula Vista Electric for corrective electrical repairs at a cost of \$654,775.92 with an additional 5% contingency of \$32,738.80 for a total not-to-exceed cost of \$687,514.72.

**Director Kim – Aye
Director Cota – Aye
Director Gattas – Aye
Director VanDiver – Absent
Director Bradford – Absent
Director Rodriguez-Kennedy – Aye**

Director Lai – Aye

Vote: Unanimous

AYES: 5 NAYS: 0 ABSTENTIONS: 0

Chair Kim inquired if any member of the public wished to comment on Agenda Item (3.B.2). No members of the public responded to the request for comment.

(2) Ratification of Soffit Repairs and Authorization To Contract for Soffit Removal

Directors Lai and Cota moved and seconded, respectively, to ratify the costs, \$69,980, of the interim repairs to the Hall “C” soffit performed by Built Pacific and to contract with the same firm for the removal of the soffits in Hall “A” and Hall “C” at a cost of \$247,000 for a total not-to-exceed contract value of \$400,000.

Director Kim – Aye

Director Cota – Aye

Director Gattas – Aye

Director VanDiver – Absent

Director Bradford – Absent

Director Rodriguez-Kennedy – Aye

Director Lai – Aye

Vote: Unanimous

AYES: 5 NAYS: 0 ABSTENTIONS: 0

During the presentations for Agenda Items 3.B.1 and 3.B.2, COO Corey Albright reported that both of the requested capital repairs were unbudgeted expenses and both repairs were urgently needed in order to preserve life safety of SDCCC employees. He also explained how the current condition of the electrical panels and the soffits (Hall “C” soffit, in particular) posed a threat to the ongoing safety of employees. After his presentations, Chair Kim requested that the record reflect her very serious concerns not only about the proliferation of unbudgeted capital repair items, but also about the lack of management oversight that contributed to some employees being subjected to an egregiously dangerous work environment. Based on the two instances cited herein, it is apparent that in the past, maintenance oversight was not a high priority. Chair Kim requested to know what steps would be taken by staff to correct the issues with maintenance oversight going forward. COO Albright reported that he was formulating a new staffing plan that would not only address past oversight issues but would also put in place new staff who would ensure employee safety was prioritized. COO Albright anticipates updating the entire Board on the new maintenance staffing plan at the upcoming Board Retreat in November. Chair Kim indicated she would continue to monitor the situation to ensure that proper maintenance protocols were enacted.

C. Audit Committee (Jaymie Bradford)

Chair Kim inquired if any member of the public wished to comment on Agenda Item (3.C.1). No members of the public responded to the request for comment.

(1) Authorize Acceptance of Audited Annual Financial Report for the Fiscal Year Ended June 30, 2022

Directors Lai and Rodriguez-Kennedy moved and seconded, respectively, to Authorize Acceptance of the Audited Financial Report for the Fiscal Year Ended June 30, 2022.

**Director Kim – Aye
Director Cota – Aye
Director Gattas – Aye
Director VanDiver – Absent
Director Bradford – Absent
Director Rodriguez-Kennedy – Aye
Director Lai – Aye**

Vote: Unanimous

AYES: 5 NAYS: 0 ABSTENTIONS: 0

Chair Kim inquired if any member of the public wished to comment on Agenda Item (3.C.2). No members of the public responded to the request for comment.

(2) Authorize Addition of June 19th (“Juneteenth”) to Current SDCCC Employee Holidays

Directors Lai and Rodriguez-Kennedy moved and seconded, respectively, to Authorize the addition of June 19th (“Juneteenth”) to SDCCC employee holidays.

**Director Kim – Aye
Director Cota – Aye
Director Gattas – Aye
Director VanDiver – Absent
Director Bradford – Absent
Director Rodriguez-Kennedy – Aye
Director Lai – Aye**

Vote: Unanimous

AYES: 5 NAYS: 0 ABSTENTIONS: 0

E. Sales & Marketing Committee (Carlos Cota): Director Cota noted how much he enjoyed working with the SDTA/SDCCC teams this year and that SDTA would be hosting its annual meeting at the Convention Center next week.

Ms. Coker provided an update regarding the lengthy visa wait times for foreign travelers. Currently, applicants wait approximately 400 days to obtain visas in some instances as opposed to waits of under 30 days in the past. Cal Travel and U.S. Travel are both working to get the visa processing wait times reduced. The lengthy periods to obtain visas are having

a negative impact on foreign medical show attendees. San Diego is currently outpacing both Los Angeles and San Francisco in terms of hotel occupancy and hosted events.

Mr. Mikschl reported four new event bookings for the month of September and reiterated the sales philosophy by which the sales team is being very selective with short term bookings in order to allow new sales opportunities and also to allow open calendar dates to perform maintenance projects. Mr. Mikschl highlighted how recently moving two events not only pleased both clients, but also enabled one client to increase their attendance and generate \$2 million in food and beverage revenues. The team is also aggressively pursuing more corporate events and to that end, Director Lai requested that a “corporate sales” category be added to the sales report. Mr. Mikschl also discussed how SDCCC and SDTA are aligning their technology to work on the booking calendar. They are examining bookings closely to breakdown the impact to SDCCC, the City, the center’s partners, etc.

Ms. Coker reported that there is a Midwest City Wide Sales position available. She also reported that there is a Convention Services position open with the site planning team.

The long-term team’s room night goal is 113% of goal for the first quarter. The SDTA team is evaluating a room night goal increase; however, the funnel needs to be ramped up with leads. The bulk of SDTA client bookings are taking place within 10 years whereas in years past, the team booked up to 25 years out.

Mr. Schieferdecker reported that the SDTA team is reaching out to new customers, and they have hired a revenue manager to evaluate events before they are booked. The manager is also determining space and date needs of current booked business to see if adjustments can be made to accommodate new clients.

4. **President’s Report (Rip Rippetoe)** – Mr. Rippetoe reported:

- Julia Slocombe, Senior V.P. of Smarty City Networks introduced Regional Director Ken Schmidt who will oversee Center operations.
- Preparation for the November 17th Board Retreat is ongoing.
- East building meeting room carpet installation will begin in late November.
- Mr. Rippetoe and Andy Mikschl will attend client meetings in Washington, D.C., and Chicago during the first week of December.
- Mr. Rippetoe will be hosting a “Lunch & Learn” program to familiarize and educate new hires and management staff about industry standards.
- Mr. Rippetoe will also start hosting CEO Coffees with each shift of staff.

5. **Chair’s Report (Carol Kim)**

- This year’s Board dinner will take place on Thursday, November 10, 2022, at 5:30 p.m. Further details will follow.
- The Board Retreat is scheduled for November 17, 2022, at 9:00 a.m. in Room 23. The retreat will end at approximately 4:30 p.m. All Directors are encouraged to attend.
- If anyone is interested in attending the SDTA 68th Annual Meeting here at the Center on November 3rd (1:00 – 5:00 p.m.), please let Pat know.
- The final Board meeting of the year is scheduled for December 14, 2022, at Noon.

6. **Board Comment** [Govt. Code § 54954.2(a) (2)] – None

7. **Urgent non-agenda items** (must meet the requirements of Government Code, Section 54954.2): None

There being no further business, the meeting adjourned at 1:15 p.m.

I, Jeff Gattas, Secretary of the Board of Directors of the San Diego Convention Center Corporation, Inc., do hereby certify that the foregoing is a true and correct copy of the minutes of the business transacted by the Board of Directors of the San Diego Convention Center Corporation, Inc., at a duly noticed meeting held on October 26, 2022, and that said minutes were approved by the Board of Directors on December 14, 2022.

Jeff Gattas, Secretary

Agenda Item 3.A

MINUTES*
SAN DIEGO CONVENTION CENTER CORPORATION
THE BOARD OF DIRECTORS

SPECIAL BOARD MEETING OF NOVEMBER 17, 2022

BOARD MEMBERS PRESENT: Directors Carlos Cota, Shawn VanDiver, Jaymie Bradford, Will Rodriguez-Kennedy and Elvin Lai

BOARD MEMBER(S) ABSENT: Directors Carol Kim and Jeff Gattas

STAFF PRESENT: Rip Rippetoe, Mardeen Mattix, Pat Evans (Recorder)

ALSO PRESENT:

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1. Call to Order

Vice-Chair Carlos Cota called the “Special” Board Meeting to order at 9:51 a.m. in the Room 23 of the San Diego Convention Center Corporation, 111 West Harbor Drive, San Diego, CA 92101. Director Cota then called roll to determine which Directors were present on site or on the teleconference:

Director Kim – Absent
Director Cota – Present
Director Gattas – Absent
Director VanDiver – Present
Director Bradford – Absent
Director Rodriguez-Kennedy – Present (Virtually)
Director Lai - Present

All Directors were recorded as present except Director Kim, Director Gattas, and Director Bradford.

Vice-Chair Cota noted that all votes taken during this meeting would be recorded via roll call vote.

- 2. Non-Agenda Public Comments:** – Vice-Chair Cota inquired if any member of the public wished to comment on any non-Agenda item. No members of the public responded to the request for comment.

3. Board Committee Reports and Action Items:

Vice-Chair Cota inquired if any member of the public wished to comment on Agenda Item 3.A. No members of the public responded to the request for comment.

Consent Agenda:

A. Approval of Resolution (2022-16) of the San Diego Convention Center Corporation, Inc. Extending the Authorization for all or Partial Remote Teleconference Meetings of all Legislative Bodies as Needed During the COVID-19 Local and State Emergency Pursuant to *Brown Act* Provisions.

Directors Lai and VanDiver moved and seconded, respectively, to approve the Resolution set forth hereinabove.

**Director Kim – Absent
Director Cota – Aye
Director Gattas – Absent
Director VanDiver –Aye
Director Bradford – Absent
Director Rodriguez-Kennedy - Aye
Director Lai - Aye**

Vote: Unanimous

AYES: 4 NAYS: 0 ABSTENTIONS: 0

Board Retreat

B. Presentations and general discussion regarding: Convention Center Industry, SDCCC Business, and SDCCC Strategic Plan Review. No action to be taken.

Vice-Chair Cota commenced the retreat discussions at 10:00 a.m. Various speakers provided presentations regarding (1) Legal Updates; (2) Sales & Marketing Updates and (3) Competitive Set/Industry Update.

Director Bradford arrived on site at 10:58 a.m.

Mayor Todd Gloria was present and addressed the retreat participants during the lunch break from 11:45 a.m. until 12:30 p.m.

The Board Retreat resumed at 1:00 p.m. with various SDCCC staff members presenting an overview of and updates to the SDCCC Strategic Plan. The retreat participants took a

break from 2:45 to 3:00 p.m. and the Strategic Plan presentations by staff continued thereafter until 3:55 p.m.

4. Board Comment [Govt. Code § 54954.2(a)(2)] – Vice-Chair Cota made the following announcements:

- The final Board meeting of the year is scheduled for December 14, 2022, at Noon in the Executive Boardroom.
- The SDCCC Holiday Party is scheduled for Saturday, December 17, 2022, cocktail hour starts at 6:00 p.m. (Ballroom 20). Directors and a guest are invited to attend. Please contact Pat if you plan to attend. There is also a children's party the morning of the 17th at 9:30 a.m. in the foyer of Ballroom 20 – fun, games and a visit by Santa and the Grinch.
- The Board/Committee meeting calendar included in your packet is for information purposes only. Pat will populate your calendars with meeting dates once Committee assignments have been determined.

There being no further business, the meeting adjourned at 3:56 p.m.

CERTIFICATION

I, Jeff Gattas, Secretary of the Board of Directors of the San Diego Convention Center Corporation, Inc., do hereby certify that the foregoing is a true and correct copy of the minutes of the business transacted by the Board of Directors of the San Diego Convention Center Corporation, Inc., at a duly noticed meeting held on November 17, 2022, and that said minutes were approved by the Board of Directors on December 14, 2022.

Jeff Gattas, Secretary

San Diego Convention Center Corporation
Strategic Direction

Exhibit 3.B.1



San Diego Convention Center
Strategic Direction
2021-2022

Purpose
Serve as the region's premier gathering place, hosting conventions that create economic benefit and jobs for the San Diego region paid for by outside visitors to the destination.

Promise
To provide an excellent customer experience through exceptional service in a safe and healthy environment for our clients and guests to welcome them back for future travel.

Values
Integrity: Do what you say you will do, big and small.
Service: If we are not serving our client, serve someone who is.
Collaboration: Work together for the greater good—over communicate.
Courage: We work together toward our goals, despite the presence of risk, uncertainty or fear.
Accountability: Anyone inside or outside of the organization can ask “why?”. If we don't have a good answer, we change the decision.

Reputation
S Service
D Diversity
C Community
C Collaboration

Position
Located in a top 10 destination, our convention center is among the top 25 in size with an industry-leading team and reputation.

Our diverse team of dedicated and experienced industry professionals deliver unparalleled service to our clients and attendees. We are proactive hosts and ambassadors for the San Diego community.

Focus Areas (Imperatives) Through FY2025

1. **Grow and Nurture Culture:** Build a thriving team, provide high-quality jobs in the community, and earn a reputation as a top workplace.
2. **Develop a Facility Maintenance and Improvement Program:** Maintain our building to continue to be a premier gathering place.
3. **Refine Business Model to Ensure Financial Viability:** Lead revenue optimization and cost management by attracting high-quality events.
4. **Engage the Community:** Strengthen relationships and enhance understanding of our economic and community impact.

1. Grow and Nurture Culture: People-focused. Purpose-driven.

Objectives

- Stabilize workforce by offering competitive compensation, career progression opportunities, and safe working conditions.
- Strengthen management by reinforcing a culture of trust, respect, and accountability.
- Reinstigate sense of purpose, commitment, and loyalty among staff.

KPIs & Milestones

- 12/22: Fill HR positions
- 3/23: Execute all union agreements renegotiations to align with objectives.
- 3/23: Implement newly created Talent Acquisition program.
- 6/23: Reduce time to hire from days to 99 days to 84 days (national benchmark is 62 days).
- 6/23: Implement revamped onboarding program.
- 6/23: Reduce turnover by tenure within first 3 months of hire from 55% to 40%.
- FY24: Implement Safety, Compliance, Performance Management, Succession Planning, and Employee Relations/Engagement programs.

Initiatives

- Build HR infrastructure that includes hiring and training talent with a different skillset, restructuring roles, and resetting role expectations.
- Develop a comprehensive talent acquisition process that focuses on creating an employee value proposition and a robust sourcing strategy.
- Create a holistic onboarding experience that encompasses organizational, departmental, and position specific training.

2. Develop a Facility Maintenance and Improvement Program

Objectives

- **Reduce reactive repairs and maintenance.**
- **Increase capital project planning and phased asset replacement.**
- **Develop long-term funding plan.**

KPIs & Milestones

- **By 12/22:** Create long-range capital and major maintenance project plan.
- **By 1/23:** Hire Electrical & Mechanical Engineers.
- **By 3/23:** Hire Two Maintenance Supervisors and a Planner.
- **By 07/23:** Create comprehensive facility and asset management programs.
- **By 10/23:** Refine CMMS to ensure all periodic inspection and maintenance work orders are configured on the appropriate recurring basis according to code.
- **By 6/24:** Develop work order metrics to measure workloads and timeliness.

Initiatives

- Create first iteration of long-range capital and major maintenance project plan inclusive of scheduling around event activity.
- Create comprehensive facility and asset management programs including periodic inspections and maintenance.
- Hire & augment staff (electrical & mechanical engineers, maintenance supervisors, and 10-15 maintenance trade positions).
- Refine the computerized maintenance management system (CMMS) to ensure all parts, assets, warranties, and infrastructure are inventoried and appropriate periodic inspections and maintenance intervals are up to building code.
- Overhaul training program to meet building, safety, and compliance needs.
- Solidify long-range capital and major maintenance project plan inclusive of scheduling around event activity.

3. Refine Business Model to Ensure Financial Viability

Objectives

- **Optimize practical occupancy with high-spending, quality room night clients, by focusing on medical conventions and corporate events.**
- **Generate more ancillary revenue for in-house partners.**
- **Implement meeting room charges and revised overall rental policies to increase gross rent revenue by 20%.**
- **Optimize allocation of direct event labor.**

KPIs & Milestones

- **By 3/23:** Target 65% building occupancy: 650,000+ contracted room nights booked annually for future years, high visitor spend to yield \$25M+ in annual tax revenues, and \$1B annual regional impact.
- **By 9/23:** Transfer responsibility to SDTA to provide economic impact figures on visitor spending.
- **By 12/23:** FY24 partner gross revenues to rebound to FY19 levels.
- **By 1/24:** Increase gross rental revenue for FY25 to exceed FY18 budget by 20%.
- **By 6/24:** Implement scheduling software and event labor analytics to allow 4-hour shift work to optimize workforce resources.
- **By 3/24:** Executed contract and development of marshalling yard property.

Initiatives

- Continually review competitive set rental and pricing survey to ensure pricing and discounting model is competitive with other similar venues.
- Leverage rental pricing/discounts to incentivize more spend with our in-house partners to drive larger commissions.
- Identify potential funding sources to provide for reimbursement of rental credits or cover facility maintenance efforts.
- Create draft policies for budget, debt, and cash reserves.
- Track pre- and post-event expenses to improve tracking of event budgets and monitor trends.
- Draft proposed funding mechanism in collaboration with the City by identifying a short-term, interim strategy with a long-term solution.
- Secure new marshalling yard to allow for efficient and timely move-in/move-out for large events at the Convention Center.

4. Engage the Community

Objectives

- Effectively communicate the San Diego Convention Center purpose as an economic driver and premier gathering place.
- Educate key stakeholders on the value of outside visitor spending that grows the region, alleviates taxpayer burden, and contributes to a thriving downtown.
- Strengthen relationships with community organizations, educational institutions, and industry partners to support shared success.
- Build understanding of the need to invest in our future, and the value of this investment.

KPIs & Milestones

- Achieve social media engagement growth of at least 10% each year.
- Earn positive coverage with at least 25 major media stories each year.
- Participate in at least 12 presentations or panel discussions each year.
- Lead or participate in at least 12 collaborative activities each year (e.g., donation drives, volunteer efforts, community events).
- Achieve purpose-driven involvement with >75% of Leadership staff participating in civic/community organizations in support of our communication objectives.

Initiatives

- Through public and media relations, communicate and clarify the value of outside visitor spending, the broad economic impact of the events we host, and the importance of reinvestment in our building.
- Identify opportunities for greater staff involvement in civic and community organizations.
- Further collaborate with the San Diego Tourism Authority on communications and partnerships with local businesses.
- Through internal/external communications and community outreach, build local awareness of SDCC as a high-quality employer.

Agenda Item 3.D.1

**SAN DIEGO CONVENTION CENTER CORPORATION
M E M O R A N D U M**

TO: Board of Directors

FROM: Mardeen Mattix, Chief Financial Officer

DATE: For the Agenda of December 14, 2022

RE: Authorization of Employee Benefits for plan year 2023-2024 through Marsh & McLennan Agency LLC Company

Background

The San Diego Convention Center Corporation (SDCCC) provides full-time and variable hour employees and their dependents with health insurance including medical, vision, dental, life and long-term disability insurance coverage. These health insurance programs are renewed each year on March 1. Our goal is to offer quality health insurance that places priority on preventative care at an affordable price point. The SDCCC considers fiscal impact costs with the goal of maintaining a “rich” benefit plan to remain competitive in the marketplace. Two years ago, the SDCCC implemented a slow, planned increase in employer contribution rates to align closer to the competitive market. This is the final year of adjusting employee participation in the premium to align with the following strategy:

Health Benefits cost share	ER	EE
Employee Only	75%	25%
Employee and Spouse/Domestic Partner	65%	35%
Employee and Child(ren)	70%	30%
Employee and Family	60%	40%

Marsh & McLennan Agency LLC Company (Marsh) was contracted for March 1, 2018 – March 1, 2021 as the Broker of Record with an annual renewal option unless terminated by the SDCCC. The SDCCC exercised the option to extend through February 2023. The SDCCC wishes to extend the option through February 2024. Marsh provides brokerage services in regard to the placement of employee benefits coverage for medical, dental, life vision, disability, business travel accident, EAP, voluntary benefits, and telehealth.

Discussion

While the SDCCC initially requested Marsh to solicit quotes, the SDCCC directed Marsh to move forward with a no-bid (status quo) strategy for medical insurance this year. The reasons are threefold. The first reason is that SDCC has limited medical claims data, so carriers pad their rates to account for unknown losses. The second reason is that organizations usually do not move

to a new medical plan after one year so many carriers decline to provide a quotation the first year. The third reason is that the incumbent carrier tends to lower their renewal rates in exchange for guaranteed business and less work on their end. Our strategy worked. While the initial renewal rate was 11.3%, the negotiated rate for our existing Aetna medical plan was 8.9% and 6.5% for Simnsa, resulting in approximately \$55,000 in additional premium costs for current enrollment.

SDCC was also able to obtain \$12K in technology monies from Aetna during the renewal period to fund some of our carrier feed project. These automated feeds will be able to transmit data from SDCC to our carriers in an effective and efficient manner.

There are two main discussion topics that are outlined below. The first is the potential addition of a Preferred Provider Organization plan. The second is for Mutual of Omaha to take over the Voluntary Critical Illness and Voluntary Accident lines of coverage.

Medical Insurance

SDCCC offers four Health Maintenance Organization plans: three are provided through Aetna and one is offered through SIMSNA. One of the main differences between the Aetna plans for our regular, full-time employees is that the Aetna Value Network provides a more robust network (i.e., Mercy, UCSD and Scripps). Ninety-three (93) and thirteen (13) employees currently participate in the Aetna Whole Health and Aetna Value Network plans, respectively. The SDCC anticipates ten (10) additional employees will enroll in coverage over the coming year, for a projected increase of \$132,000 in costs. Aetna also offers a Variable Hour Plan for part-time employees with currently one (1) person enrolled in that plan. The SDCCC is required to offer this plan in accordance with the Affordable Care Act for variable hourly employees who meet eligibility requirements. While it depends on eligibility requirements in accordance with the Affordable Care Act, our current projection is that approximately twenty (20) additional employees will enroll in this plan which equates to approximately \$112,000 in additional costs. Lastly, twenty-eight (28) employees participate in our SIMNA plan, which is a cross-border HMO plan available to Mexican Nationals, who are actively working in the San Diego or Imperial counties.

SDCCC asked Marsh to solicit a bid for a Preferred Provider Option plan for a potential Texas based employee. The cost of the PPO plan and the renewal for our other medical plans is listed below.

Health Benefits cost share	Premium	ER Portion	EE Portion	EE Contribution
Employee Only	\$ 1,218.43	\$ 532.84	\$ 685.59	25%
Employee and Spouse/Domestic Partner	\$2,924.30	\$1,108.33	\$1,815.97	35%
Employee and Child(ren)	\$2,132.25	\$ 870.37	\$1,261.88	30%
Employee and Family	\$3,716.35	\$1,300.18	\$2,416.17	40%

Dental Insurance

Dental coverage renews for the 2023-2024 plan year. The United Concordia Dental provides a rate guarantee (0% increase) through December 31, 2024.

Vision Insurance

EyeMed coverage also renews for the 2023-2024 plan year. The EyeMed plan provides a rate guarantee (0% increase) through February 28, 2026.

Life & Disability

Basic Term Life/AD&D, Long Term Disability and Voluntary Life coverage also renews for the 2023-2024 plan year. These are employer paid plans and Mutual of Omaha provides a rate guarantee (0% increase) through December 31, 2024.

Voluntary Critical Illness and Accident

Aflac currently provides Voluntary Critical Illness and Voluntary Accident coverage for our employees. Marsh secured a quote from Mutual of Omaha to take over both lines of coverage from Aflac. The Mutual of Omaha quote improved the Voluntary Critical Illness coverage (i.e., increase guarantee issue for employee by \$5,000 and spouse by \$25,000) and the costs remained flat. The Mutual of Omaha Voluntary Accident quote improved the benefit coverage (i.e., hospital admission by \$500, ground ambulance by \$100) and lowered annual costs by \$751. Mutual of Omaha offered \$6,000 in technology monies to take over both Aflac accounts. However, due to recent customer service issues and the potential of bundling several lines of coverage, SDCC will be in a position to review these lines of coverage during the next renewal period.

These are employee paid plans and AFLAC provides a rate guarantee (0% increase) through February 28, 2024.

Flexible Spending Accounts

Flexible and Dependent Spending Accounts coverage also renews for the 2023-2024 plan year. These are employee paid plans and Igoe provides a rate guarantee (0% increase) through February 28, 2024.

Recommendation

Authorize the addition of the PPO Plan for our potential Texas new hire and the renewal of the medical dental, vision, Life & Disability and Voluntary Critical Illness and Accident Plans and the usage of the technology monies as described in the summary above, through the brokerage services of Marsh & McLennan Agency LLC Company. In total, the specific coverage for Plan Year 2023-2024 will result in an approximate net increase of 28%, or \$325,000 more compared to prior year budget with the additional employees likely to seek coverage.



Mardeen Mattix
Chief Financial Officer

Agenda Item 3.E.1

**SAN DIEGO CONVENTION CENTER CORPORATION
M E M O R A N D U M**

TO: Board of Directors
FROM: Carol Kim, Nominating Committee Chair
DATE: For the Agenda of December 14, 2022
RE: Election of Officers

BACKGROUND

The Nominating Committee of the Board of Directors of the San Diego Convention Center Corporation (“SDCCC”) has selected a proposed slate of Officers to serve on the SDCCC Board for 2023.

DISCUSSION

After deliberations by the Nominating Committee consisting of Chair Carol Kim and Directors Jaymie Bradford and Elvin Lai, the following slate of officers was submitted for consideration for 2023 San Diego Convention Center Board service:

Board Chair – Carlos Cota
Vice-Chair - Jeff Gattas
Treasurer – Shawn VanDiver
Secretary – Will Rodriguez-Kennedy

RECOMMENDATION

It is recommended that the Board approve the slate of officers as set forth hereinabove.

_____/s/
Carol Kim
Nominating Committee Chair

2023 Committee Appointments/Liaisons

San Diego Convention Center Corporation

AUDIT

(Meetings scheduled as needed)

Oversees the external audit, accounting, financial internal control and risk management processes

- Will Rodriguez-Kennedy, Chair
- Alyssa Turowski
- Jaymie Bradford
- Staff Liaison: Chief Financial Officer

BUDGET

(Monthly Meetings)

Reviews and approves the Corporation's Budget

- Shawn VanDiver, Chair
- Carlos Cota
- Carol Kim
- Staff Liaison: Chief Financial Officer

DEFINED CONTRIBUTION COMMITTEE

(Meetings scheduled as needed)

Board representative on Employee Defined Contribution Committee

- Alyssa Turowski
- Staff Liaison: Chief Financial Officer

EXECUTIVE

(Monthly meetings scheduled tentatively)

- Carlos Cota, Chair
- Jeff Gattas, Vice Chair
- Shawn VanDiver, Treasurer
- Will Rodriguez-Kennedy, Secretary
- Carol Kim, Immediate Past Chair
- Staff Liaison: President & CEO

SALES, MARKETING

(7 meetings/year)

Review strategies for Convention Center sales and marketing

- Jeff Gattas, Chair
- Will Rodriguez-Kennedy
- Jaymie Bradford
- Staff Liaison: President & CEO

