

Agenda Item 3.A

MINUTES*
SAN DIEGO CONVENTION CENTER CORPORATION
THE BOARD OF DIRECTORS

BOARD MEETING OF APRIL 26, 2023

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

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

ALSO PRESENT: Jennifer Lyon, General Counsel, Victor Botello and Lisa Casella, Marsh & McLennan representatives

*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.

1. Call to Order

Chair Carlos Cota 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.

Director Cota then called roll to determine which Directors were present:

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

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

2. **Non-Agenda Public Comment** – Chair Cota 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 Cota inquired if any Director would like to pull a Consent Agenda item for discussion. Hearing no request to pull a Consent Agenda item, Chair Cota then 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.

A. **Approval of Minutes of Board Meeting of March 29, 2023**

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

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

Vote: Unanimous

AYES: 4

NAYS: 0

ABSTENTIONS: 0

Director Gattas arrived at 12:10 p.m.

Action Item(s):

Chair Cota 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.

B. Budget Committee (Shawn VanDiver)

(1) Acceptance of CFO Financial Report from Chief Financial Officer

- Ms. Mattix reported that March financials are moving along favorably as anticipated.
- March produced slightly less revenue than anticipated due to an event cancellation; however, the Corporation’s financials are still tracking year-to-date where revenues have exceeded the budget by \$3.5 million.
- From an expense standpoint, it is nice to see that the Personnel line item is coming close to budget and forecast which means that the Corporation has been able to make significant progress on hiring additional staff and reducing unfilled positions.
- From supplies and services and all of the repair and maintenance general expenses, those items are tracking right on budget to what was expected. Some of the repair

and maintenance items are trailing by a little but we do anticipate that we will be hitting the forecast marks by year end.

- Ms. Mattix also shared the difference between the February and March make-up of events and the impact on the budget.
 - In February, the Center generated \$5.5 million of operating revenue with two corporate events and four conventions. That month had an estimated regional impact to San Diego of \$152 million.
 - In March the Center hosted seven conventions and smaller events which generated approximately \$4.2 million of revenue and had approximately \$40 million less in regional economic impact.
- These numbers are good, and we are fortunate to have the quality of events we have in San Diego; however, when you note fluctuations in revenue, it really highlights the impact of corporate events and tech shows which generate larger revenues.
- The Corporation will be cost neutral by the end of the year and we anticipate reserves will be approximately \$25 million at the end of the fiscal year.

Directors Gattas and Turowski moved and seconded, respectively, to Accept the CFO Financial Report from the Chief Financial Officer.

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

Vote: Unanimous

AYES: 5

NAYS: 0

ABSTENTIONS: 0

Chair Cota 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) Authorize Purchase of Work Order System

After presentations by Staff, Directors Bradford and Gattas moved and seconded, respectively, to authorize a three-year contract with NEXGEN for Purchase of a Work Order System (CMMS), including software licensing and implementation, for a total cost of \$316,981.25.

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

Vote: Unanimous

AYES: 5

NAYS: 0

ABSTENTIONS: 0

C. Audit Committee (Will Rodriguez-Kennedy)

Chair Cota 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 Placement of Property, General and Umbrella Liability, Workers' Compensation and Directors & Officers Insurance Through the Brokerage Services of Marsh & McLennan Agency

After presentations by Staff, Directors Rodriguez-Kennedy and Turowski moved and seconded, respectively, to Authorize Placement of Property, General and Umbrella Liability, Workers' Compensation and Directors & Officers Insurance Through the Brokerage Services of Marsh & McLennan Agency.

Director Cota – Aye

Director Gattas – Aye

Director VanDiver – Absent

Director Bradford – Aye

Director Rodriguez-Kennedy – Aye

Director Turowski – Aye

Director Kim – Absent

Vote: Unanimous

AYES: 5

NAYS: 0

ABSTENTIONS: 0

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

D. Sales & Marketing Committee (Jeff Gattas): Director Gattas reported that there were no Action Items presented at today's Sales & Marketing committee meeting; however, he did request that Mr. Mikschl provide a committee update.

Mr. Mikschl reported that the short-term team (events within 18 months) booked four events last month. The team is continuing to be selective regarding the types of events booked. One of the events booked on a very short-term basis, will be held next week and staff anticipates it will generate approximately \$150,000 of revenue. Two events booked are smaller events which the team hopes will grow into larger events and the last event, Live Well San Diego, is a repeating community-based event.

The short-term team being selective about the event make-up booked will allow the team to focus on leaving openings for anticipated maintenance demands such as the window sealant project that is occurring now. Elevator doors "N" and "O" can also be repaired now due to an opening in bookings for the Sails Pavilion.

Overall, event attendance is very strong with large city-wide conventions. The current in-house convention (ATP) is also seeing strong attendance which will hopefully translate to additional ancillary revenues (food & beverage, AV, etc.)

Ms. Coker reported that the long-term sales team has currently booked approximately 338,000 room nights compared to 2019, when the team had booked 220,000. The team is on pace to hit their room night goal by the end of the fiscal year (June 30, 2023).

The number of tentative bookings has increased to 915,000 room nights. These are room nights in the “funnel” which are waiting to be converted into definite bookings. The long-term team is also practicing strategic booking wherein they are booking business in the near future versus booking groups who want to book event business ten to twenty years into the future. The event booked in March is scheduled for 2024.

The long-term team is traveling to client events to promote San Diego. Kavin is participating in a Visit California event in Denver, and he will also be visiting Seattle in an attempt to attract corporate events to San Diego.

The long-term sales team has hired Ashley, a former member of the Hilton’s city-wide team, to join the Chicago sales team.

Mr. Mikschl provided an update regarding the Chicago sales event in early April. He reported that there were 80 – 100 clients from the Chicago area in attendance at this annual event sponsored by SDTA for the Chicago Cubs opening day. Eight to ten San Diego hotel partners as well as SDCC and SDTA staff also attended the event. This was the first time the event has occurred in three years due to covid, so clients were pleased to have it happening again. The client attendance was a mix of existing and new clients and it was an excellent opportunity to market to new potential clients and to remind current clients to sign outstanding contracts.

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

- Mr. Rippetoe reported that the San Diego convention market is recovering more quickly than other destinations. The sales teams are focusing on booking high impact events with high individual client spends.
- He thanked Directors Rodriguez-Kennedy and Turowski for attending the April employee Town Hall meetings. There was a good turnout for the entire team.
- Staff is continuing recruitment for the General Manager position.
- The Center has received high scores from the revamped client surveys particularly in areas of Public Safety, Event Management staff knowledge and sustainability. The survey results show that the Center is listening to and addressing the needs of its customers.
- The PCMA annual meeting will be hosted in San Diego January 7 – 10, 2023. Staff will provide updates regarding events Directors may be interested in attending.
- Staff participated with the Chicano Federation Food Bank activity and attended the Food Bank Gala. There will be another volunteer opportunity on May 13th. The SDCCC team will be assisting the Supply Bank assembling school supply kits in three shifts from 9:00 a.m. to 7:00 p.m. The goal is to assemble 10,000 kits. Directors are welcome to participate.

- Director Rodriguez-Kennedy commented on the success of the Town Hall meetings. He was particularly impressed with the number of employees who acknowledged their supervisors and managers with complimentary “shout-outs.” The employees appeared to be very engaged and enthusiastic. Director Turowski noted the impressive attendance of employees at the meetings and the energy of the employees and staff presenters.
- The Corporation continues to invest in continuing education for staff with IAVM Venue Management School and Venue Safety & Security School.

6. **Chair’s Report (Carlos Cota)** – Chair Cota reported:

- There is no regularly scheduled meeting for the month of May, so, the next Board meeting will take place on June 28, 2023, at Noon.
- Staff will also need to schedule a “Special” Board meeting for July 12, 2023, at Noon to consider the issue of new SDCCC uniforms. Please respond to the meeting notice so we can confirm we have a quorum for that meeting.

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

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

9. **Closed Session:** The Board entered into closed session at 11:53 a.m. to discuss the items set forth hereinbelow.

A. Threat to Public Services or Facilities
Government Code section 54957
Consultation with: President & CEO/General Counsel

The Board returned to open session at 1:42 p.m.

Reporting out of closed session, General Counsel Lyon stated that the Board discussed item “9.A,” and direction was given but no reportable action was taken.

There being no further business, the meeting adjourned at 1:43 p.m.

I, Will Rodriguez-Kennedy, 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 April 26, 2023, and that said minutes were approved by the Board of Directors on June 28, 2023.

[Approved at Board Meeting of June 28, 2023]

Will Rodriguez-Kennedy, Secretary