

Agenda Item 4.a

MINUTES

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

BOARD MEETING OF JANUARY 29, 2010

BOARD MEMBERS PRESENT: Chair Bob Nelson, Vice-Chair Alexis Gutierrez and Directors Nikki Clay, Cheryl Kendrick, Duke Sobek and Mick Musella

BOARD MEMBERS ABSENT: Chris Cramer

STAFF PRESENT: Carol Wallace, Theresa McAteer, Brad Gessner, Mark Emch, Tom Mazzocco, John Vingas, Sandra Moreno, Nancy Murgillo, Andy Mikschl, Ben Calmes and Pat Evans (Recorder)

ALSO PRESENT: Don Telford, Perry Dealy and Chris Neils

1. **CALL TO ORDER**

Chair Bob Nelson called the meeting to order at 8:36 a.m. in the Executive Boardroom of the San Diego Convention Center Corporation, San Diego, California.

2. **COMMENTS FROM THE AUDIENCE** – None

3. **PRESENTATIONS**

a. **Employees of the Month**

Joe Pirronello, Painter (December) was presented by Ron Barham, Building Superintendent

Andrew Camacho, Division Assistant, Sales (January) was presented by Anne Hartley, Director of National Sales

After completion of the Presentations, Chair Nelson called for discussion and vote on Action Items "5.e," "5.f" and "5.g." Chair Nelson noted that memoranda regarding these Action Items (Memorandum 5.e from Tom Mazzocco dated January 29, 2010 and Memoranda 5.f and 5.g from Carol Wallace dated January 29, 2010) had been previously submitted for review. After determining there were no questions or discussion, Chair Nelson called for a consolidated vote for approval of the following items:

(5.e) Authorization for Placement of Employee Health, Dental, Vision, Business Travel Accident, Basic Life & AD&D and LTD Insurance Coverage Through Barney & Barney LLC

(5.f) Authorization to Award Contract for the Replacement of Ballroom 20 Carpeting and Wall Coverings

(5.g) Authorization to Award Contract to Replace Lighting Control System for the West Building Meeting Rooms

Directors Clay and Gutierrez moved and seconded, respectively, to approve items (5.e), (5.f) and (5.g). Vote:

AYES: 5

NAYS: 0

4. Closed Session: At 8:39 a.m., the meeting entered into closed session to discuss:

a. Conference with Real Property Negotiator [Govt. Code § 54956.8]

Property: Balboa Theatre, 868 Fourth Avenue, San Diego, CA, 92101

Negotiating Parties: City of San Diego Redevelopment Agency; San Diego Theatres, Inc.

Under Negotiation: Instructions to Negotiator will concern price and terms of payment.

b. Conference with Real Property Negotiator [Govt. Code § 54956.8]

Property: Civic Theatre, 1100 Third Avenue, San Diego, CA, 92101

Negotiating Parties: City of San Diego; San Diego Theatres, Inc.

Under Negotiation: Instructions to Negotiator will concern price and terms of payment.

c. Public Employee Performance Evaluation [Govt. Code §54957]

Title: President & CEO

d. Conference with Legal Counsel – Existing Litigation [Govt. Code § 54956.9(8)]

United National Maintenance, Inc. V. SDCCC – Case No. 07-CV-2172 BEN
U.S. District Court, Southern District, California

e. Conference with Real Property Negotiator [Govt. Code § 54956.8]

Property: Approximately 221,000 square feet of tideland area leased to Fifth Avenue Landing, LLC; approximately 86,000 square feet of land comprising the northerly portion of the tideland area and the adjacent District-owned roadway, all bayward of the San Diego Convention Center.

Negotiating Parties: Carol Wallace, President & CEO
San Diego Convention Center Corporation

Unified Port of San Diego

Under Negotiation: Instruction to Negotiator will concern price and terms of payment.

There being no action taken that required disclosure, the meeting resumed open session at 10:54 a.m.

5. **ACTION ITEMS**

a. **Approval of minutes of Board Meeting of November 17, 2009.**

Directors Clay and Gutierrez moved and seconded, respectively, approval of minutes of the November 17, 2009 Board Meeting. Vote:

AYES: 4

NAYS: 0

b. **Authorization to Renegotiate the Contract for Sales Pavilion Enclosure Payments with the Unified Port of San Diego**

In February of 1999, the San Diego Convention Center Corporation entered into a Note Purchase Contract with the San Diego Unified Port District ("Port") for the sole purpose of paying all costs related to the enclosure of the "Sail Area" of the Convention Center. Carol Wallace, President & CEO, submitted a memorandum (Memorandum 5.b from Carol Wallace dated January 29, 2010) proposing, at the request of the City, that the Corporation seek a deferral of the last payment on the Note Purchase Contract with the Port. The payment deferral would partially offset FY 2010 funding reductions by the City. After discussion regarding the impact of Note deferral versus Note payment, the Directors elected not to bring a motion on the matter at this time and no vote was taken.

c. **Authorization to Renegotiate the Contract for the Chiller Lease Payments with US Bancorp**

Prior to discussion on this item, Director Clay indicated she would abstain from participation in the discussion/vote on this issue because she holds a seat on an Advisory Board of U.S. Bancorp.

In August of 2005, the San Diego Convention Center Corporation entered into a Master Lease Agreement with U.S. Bancorp Equipment Finance, Inc. to finance costs related to

the purchase and installation of two Trane Variable Frequency Drive Chillers. After installation of the Chillers, the Corporation subsequently entered into an Agreement with U.S. Bancorp that required sixty (60) monthly payments to retire the debt. As of July 1, 2010, the Corporation will have seven (7) remaining payments.

Carol Wallace, President & CEO, submitted a memorandum (Memorandum 5.c from Carol Wallace dated January 29, 2010) proposing, at the request of the City, that the Corporation seek a deferral of the last seven Chiller payments to U.S. Bancorp. The payment deferral would partially offset FY 2010 funding reductions by the City. After discussion regarding the ramifications of deferring the payments, the Directors elected not to bring a motion on the matter at this time and no vote was taken.

d. Approval of Five Year Projection Fiscal Years 2011 – 2015

Mark Emch, VP Finance, submitted a memorandum (Memorandum 5.d from Mark Emch dated January 29, 2010) that set forth the Corporation's projections of marketing, promotion and capital project expenditures for the Convention Center for Fiscal Years 2011 through 2015. The Corporation is required to submit this information to the City by the end of January of each year.

During discussion, Director Clay noted she had requested, but had not yet received, additional information regarding advertising, marketing and promotional expenses. She further indicated she would like an opportunity to review the information prior to voting on the matter. Directors discussed the possibility of scheduling a Special Board Meeting to allow for document review and timely production of the information to the City but elected to trail the issue to allow for sufficient document review.

5. REPORTS

- a. **San Diego Theatres** – Carol Wallace noted that Don Telford would be submitting only a written report from San Diego Theatres this month.
- b. **OSP** – In Ms. Clay's absence, Carol Wallace distributed the preliminary Agenda for the SDCCC Board Retreat.
- c. **Audit Committee** - Chair Gutierrez reported the Audit Committee had reviewed the following items:
 - Placement of various Corporate insurance coverage through Barney & Barney LLC;
 - Selection of FY 2010 Independent Financial Auditor; and
 - Selection of Internal Auditors.

Chair Gutierrez noted that as set forth in the President & CEO's Informational Update Memorandum 6.d (1), the Committee examined the association between the proposed Independent Financial Auditor and the Internal Auditor and determined there was no conflict of interest between the two entities.

d. **President's Report**

Carol Wallace directed the Board to the written President's Report submitted with the Board Packet.

e. **Chair's Report**

Chair Nelson informed that Board that the Mayor's office had announced the nomination of Phil Blair to the Board of San Diego Convention Center Corporation.

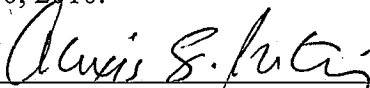
7. **URGENT NON-AGENDA ITEMS** (must meet the requirements of Government Code, Section 54954.2) –
None

8. **BOARD COMMENTS** – N/A

There being no further business, the meeting adjourned at 11:16 a.m.

CERTIFICATION

I, Alexis Gutierrez, Vice-Chair 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 January 29, 2010 and that said minutes were approved by the Board of Directors on April 30, 2010.



Alexis Gutierrez
Vice Chair