

Agenda Item 4.a

MINUTES

SAN DIEGO CONVENTION CENTER CORPORATION  
THE BOARD OF DIRECTORS

BOARD MEETING OF JUNE 17, 2009

**BOARD MEMBERS PRESENT:** Chair Chris Cramer, Vice-Chair Bob Nelson and Directors Alexis Gutierrez, Bryan Min, Nikki Clay, Victoria Hobbs and Duke Sobek

**BOARD MEMBERS ABSENT:** Director Cheryl Kendrick

**STAFF PRESENT:** Carol Wallace, Bea Kemp, Theresa McAteer, Brad Gessner, Mark Emch, Steven Johnson, Andy Mikschl, John Vingas, Nancy Murgillo and Pat Evans (Recorder)

**ALSO PRESENT:** Donald Telford and Perry Dealy

1. **CALL TO ORDER**

Chair Chris Cramer called the meeting to order at 8:37 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. **Recognition of Board Service – Cheryl Fisher**

Chair Cramer presented former Director Cheryl Fisher with a replica of Leonardo Nierman's "Flame of Friendship" in recognition of her service to both the San Diego Convention Center Board of Directors and the San Diego Theatres Board of Directors.

**Recognition Service to the Board by Staff – Bea Kemp**

Chair Cramer presented General Counsel Bea Kemp with a replica of Leonardo Nierman's "Flame of Friendship" in recognition of her service as General Counsel to the Board of the San Diego Convention Center.

b. **Employees of the Month**

Jacqui Bogan-Bailey, Security Services Supervisor (February) was presented by Debbie Timan, Security/Guest Services Manager

**Marbella Banuelos, Cleaning Services Worker (May) was presented by Sara Zetts, Facility Services Manager**

Due to Mr. Telford's off-site office location, and in anticipation of a lengthy "closed session," the Board requested that Mr. Telford present the San Diego Theatres' Report and Action Item "5i" – Approval of SDTI FY 2010 Budget, prior to the commencement of the closed session.

**San Diego Theatres Report:**

Don Telford Reported on the following:

- At their May Board Meeting, San Diego Theatre actions included (1) adding a 2009 Capital Project regarding the Civic Theatre elevator cab refurbishment; (2) approval of a contract extension with TicketMaster; and (3) Adoption of the FY 2010 Operating and Capital Budgets.
- YoYo Ma's sold out performance was an incredible event.
- The "Mainly Mozart Festival" is in progress at the Balboa Theatre.
- The City Council Rules Committee has voted to move the Civic Center Redevelopment project to the full Council for consideration of entering into a Negotiating Agreement with Gerding Edlen for the redevelopment project.
- The Balboa Theatre has very challenging financial issues - the Board will be kept apprised of the status.

**Action Item (5i) – Approval of SDTI FY 2010 Budget:**

The San Diego Theatres Board approved its FY 2010 Budget at its May Board Meeting. Under the terms of SDCCC Policy 504, the SDT Budget further requires review and approval by the SDCCC Board of Directors. Mr. Telford submitted a memorandum that set forth the full Operating and Capital Budget and highlighted the following items:

- Although SDT is impacted by the current economic situation, the five-week "Wicked" production and the four-week "The Lion King" production should help mitigate the impact of the down turn and balance the budget.
- The Opera has scaled back its season from five to four events with no Wednesday night performances.
- Most arts organizations are scaling back and SDT anticipates that pop-up events will also scale back.
- The Balboa Theatre is a financial drain and the SDT Board is considering alternatives to stem the losses.
- SDT anticipates a break-even net operating budget.

The Board further discussed the Balboa Theatre's financial losses and collective bargaining terms with various unions. Staff recommends approval of the SDT's FY 2010 Budget.

**Directors Clay and Nelson moved and seconded, respectively, to approve the San Diego Theatres FY 2010 Budget. Vote:**

**AYES: 5**

**NAYS: 0**

4. **Closed Session:** At 9:17 a.m., the meeting entered into closed session to discuss:

(1) **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 leased to One Park Boulevard, LLC; 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.

(2) **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

Spinnaker Waterfront Hotel, LLC v. San Diego Convention Center Corporation, Case No. 37-2008-00096900-CU-WM-CTL, San Diego Superior Court

(3) **Conference with Real Property Negotiator [Govt. Code § 54956.8]**

Property: APN# is 760-017-35

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

Kipland Howard, Hilton Representative

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

(4) **Conference with Labor Negotiator [Govt. Code §54957.6]**

Agency Negotiator: Thomas Mazzocco, VP-Human Resources/Labor Relations

Employee Organizations: (1) International Brotherhood of Electrical Workers Local Union 569, AFL-CIO, (2) United Association of Plumbers and Pipefitters Local Union # 230, and (3) Southern California Regional Council of Carpenters, and its affiliate Cabinet Makers, Millmen and Industrial

Carpenters Local 721, United Brotherhood of Carpenters and Joiners of America.

There being no action taken that required disclosure, the meeting resumed open session at 11:09 a.m.

**5. Action Items**

Having previously reviewed the attendant memoranda submitted regarding the following Action Items, the Board determined that the items could be voted upon without further discussion:

- a. **Approval of minutes of Board Meeting of April 17, 2009**
- b. **Approval of minutes of Special Board Meeting of May 1, 2009**
- c. **Approval of Amendment to Legal Services Policy 516**
- d. **Approval of Amendment to Complimentary Admissions Policy 501**
- e. **Approval of Amendment to Tucker Sadler & HNTB Architecture Contract**
- f. **Approval of FY 2010 Goals & Objectives**
- h. **Approval of SDCCC FY 2010 Budget**
- k. **Approval of Retention of Outside Counsel**

**Directors Nelson and Min moved and seconded, respectively, to approve Action Items (5a), (5b), (5c), (5d), (5e), (5f), (5h) and (5k). Vote:**

**AYES: 4**

**NAYS: 0**

- g. **Approval of Employee Handbook Revisions**

During the City Performance Audit, Auditors recommended that the SDCCC Board of Directors approve the policies contained in the Corporation's Employee Handbook pursuant to "best practices" for non-profits. This item was removed from the Agenda and no action will be taken on this item until outside counsel had an opportunity to thoroughly review the entire Handbook.

- j. **Approval of Collective Bargaining Agreements for (1) International Brotherhood of Electrical Workers Local Union 569, AFL-CIO, (2) United Association of Plumbers and Pipefitters Local Union # 230, and (3) Southern California Regional Council of Carpenters, and its affiliate Cabinet Makers, Millmen and Industrial Carpenters Local 721, United Brotherhood of Carpenters and Joiners of America**

A memorandum was submitted wherein staff recommended approval of the new Collective Bargaining Agreements with Carpenters Local 721, Plumbers Local 230 and IBEW Local 569 and requested authorization to execute said agreements. This item was also the subject of "closed session" discussions.

**Directors Nelson and Min moved and seconded, respectively, to approve the Collective Bargaining Agreements for (1) International Brotherhood of Electrical Workers Local Union 569, AFL-CIO, (2) United Association of Plumbers and Pipefitters Local Union # 230, and (3) Southern California Regional Council of Carpenters, and its affiliate Cabinet Makers, Millmen and Industrial Carpenters Local 721, United Brotherhood of Carpenters and Joiners of America. Vote:**

**AYES: 3**

**NAYS: 1**

6. **REPORTS**

- a. **San Diego Theatres** – The SDT Report was provided prior to closed session.
- b. **OSP Committee/Mayor's Task Force** - Committee Chair Nelson provided an overview of financial issues related to the expansion, the Task Force process, and discussed issues that may come before the Board for further consideration.
- c. **Audit Committee** - Chair Clay reported that the Committee is reviewing the Audit Charter to insure they are in compliance with the terms. A copy of SDCCC's Auditor's Engagement Letter was distributed to the Committee for review. The Committee will also now be reviewing variances on the monthly financial statements. Chair Clay also requested that the Board consider reformatting the Agenda to allow relevant Committee information to be reported simultaneously with action items.
- d. **Sales & Marketing Committee** – Ms. Wallace reported the Sales & Marketing team is on pace to achieve their 850,000 room night goal and will probably exceed 900,000 room nights. As a result of the ASAE Event, sixteen (16) city-wide conventions have been booked that will generate an anticipated \$440,000,000 in economic impact and 216,000 room nights.

- e. **Budget Committee** – Chair Min reported that the organization is operationally excellent.
- f. **Pension Committee** – Chair Min reported that our pension plan reflects current market conditions and the Committee is undertaking an education plan to teach staff how to manage their retirement funds.
- g. **President's Report**  
Carol Wallace referred the Board to the written President's report and noted following:
- Brad Gessner has been elected as Chair of the Airport Authority Sustainability Sub-Committee.
  - Mark Emch has been appointed to be a member of the IAAM Research and Knowledge Advancement Council.
  - The Corporation received a SDG&E Energy Showcase Award for energy savings.
- h. **Chair's Report**  
Chair Cramer reported the following:
- The SDCCC Board achieved full compliance for the San Diego City Ethics Training.
  - The Mayor's office has indicated that our new board member will be appointed in approximately six weeks.
  - The Board summer event at Chair Cramer's home will take place at the end of summer.
7. **BOARD COMMENTS** – Ms. Hobbs announced that her term of service on the CONVIS Board is complete thereby ending her service on the SDCCC Board. She further extended congratulations to the Board for all of their hard work and complimented staff on their support during her term. Director Clay requested that the Executive Committee consider whether the Corporation needs a policy that addresses labor relations.
8. **URGENT NON-AGENDA ITEMS** (must meet the requirements of Government Code, Section 54954.2) - None

There being no further business, the meeting adjourned at 11:55 a.m.

#### CERTIFICATION

I, Alexis Gutierrez, Secretary/Treasurer of 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 June 17, 2009 and that said minutes were approved by the Board of Directors on July 24, 2009.

  
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Alexis Gutierrez  
Secretary-Treasurer