

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

**WEDNESDAY, JUNE 22, 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. 2022-05 approved on May 23, 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 April 27, 2022 and May 23, 2022

A.1 Approval of a Resolution (No. 2022-09) of the San Diego Convention Center Corporation, Inc. Confirming a Confidential Fairness of Compensation Review for the Corporation's Chief Financial Officer and Chief Operating Officer

B. Approval of a Resolution (No. 2022-08) 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

C. Authorization to Approve Revised/New People & Culture Policies:

- **Motor Vehicle Policy**
- **Drug Free Workplace**
- **Accommodation for Employees Seeking Treatment/Rehabilitation**
- **San Diego Convention Center Employee Handbook (Condensed)**

Action Item(s):

D. Budget Committee (Jeff Gattas)

- (1) **Authorization to Contract for Workforce Management System (UKG)**
- (2) **Authorization to Ratify Revised FY23 SDCCC Budget**

E. Audit Committee (Jaymie Bradford)

- (1) **Authorization to Accept 2021 Pension Audit Results**

F. Defined Contribution Committee (Will Rodriguez-Kennedy)

- (1) **Authorization to Approve Resolution No. 2022-07 re: Restated SDCCC Money Pension Purchase Plan**

G. Sales & Marketing Committee (Carlos Cota)

- (1) **Authorization to Approve San Diego Tourism Authority Program of Work**

H. Executive Committee (Carol Kim)

- (1) **Discussion Item – Strategic Plan Progress Report**
- (2) **Authorization to Approve FY23/24 Strategic Plan**

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)

8. Closed Session

A. CONFERENCE WITH LABOR NEGOTIATOR [Govt. Code § 54957.6]

Agency Negotiator(s): Rip Rippetoe, Mardeen Mattix, Corey Albright, Jennifer Lyon

Employee Organization: SEIU-USWW

B. CONFERENCE WITH LABOR NEGOTIATOR [Govt. Code § 54957.6]

Agency Negotiator(s): Rip Rippetoe, Mardeen Mattix, Jennifer Lyon

Employee Organization: All SDCCC Unrepresented Employees

C. EMPLOYEE PERFORMANCE EVALUATION

Government Code Section 54957

Title: President & CEO

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 APRIL 27, 2022
Via Teleconference

BOARD MEMBERS PRESENT: Chair Carol Kim and Directors Jeff Gattas, Shawn VanDiver, Will Rodriguez-Kennedy and Elvin Lai

BOARD MEMBER(S) ABSENT: Directors Carlos Cota and Jaymie Bradford

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

ALSO PRESENT: Jennifer Lyon, General Counsel, Julie Coker, SDTA President & CEO, Lisa Casella and Kristen Olson, 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 Carol Kim called the Board Meeting to order at 12:06 p.m. in the Executive Boardroom of the San Diego Convention Center Corporation, 111 West Harbor Drive, San Diego, CA 92101.

Chair Kim reported that there are two meetings scheduled at this time: the regularly scheduled Board meeting and a “Special” Board meeting. The actions on both agendas will be considered simultaneously.

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

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

All Directors were recorded as present except Directors Cota 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:

Chair Kim inquired if any member of the public wished to comment on Agenda Item 3.A from either the regular Board meeting or the Special Board meeting. No members of the public responded to the request for comment.

Consent Agenda:

A. Approval of Minutes of Board Meetings of March 23, 2022, and April 14, 2022

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

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

Vote: Unanimous

AYES: 5 NAYS: 0 ABSTENTIONS: 0

Consent Agenda – Special Board Meeting:

A. A Resolution 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 Through June 22, 2022, Pursuant to Brown Act Provisions

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

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

Vote: Unanimous

AYES: 5

NAYS: 0

ABSTENTIONS: 0

Action Item(s):

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.

B. Executive Committee (Caro Kim)

- (1) Authorization to Approve of a Resolution of the San Diego Convention Center Corporation, Inc. Creating a Chief Operating Officer Position for the Corporation, adopting a Job Description for the Position, and Authorizing the President and CEO to Appoint a Chief Operating Officer**

Directors VanDiver and Gattas moved and seconded, respectively, to Authorize Approval of a Resolution of the San Diego Convention Center Corporation, Inc. Creating a Chief Operating Officer Position for the Corporation, adopting a Job Description for the Position, and Authorizing the President and CEO to Appoint a Chief Operating Officer.

Director Kim – Aye

Director Cota – Absent

Director Gattas – Aye

Director VanDiver – Aye

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.1. No members of the public responded to the request for comment.

C. Budget Committee (Jeff Gattas)

- (1) Acceptance of March Financial Reports from Chief Financial Officer**

CFO Mardeen Mattix noted an overview of the Corporation's financial status is detailed in the CFO Report that was previously distributed to the Board. Ms. Mattix then reported on the following highlights:

- As of March, the Corporation faced a net loss for the month of March of approximately \$500,000 leaving an operational deficit in the first nine months of the year at just short of \$6 million. \$6 million is the amount the Corporation will ask the City to fund it out of the \$10.2 million allocated to the Corporation in the City's

budget. Staff expects the Corporation's financial position to improve and remain flush throughout the balance of the year as events achieve higher attendance.

- Reserves remain strong at nearly \$17 million.
- Staff is working on preparation of the PPP loan submission for approval for round two of the PPP loans. Staff expects the loan to be forgiven by the end of the calendar year. The loan forgiveness will boost the Corporation's reserves to approximately \$20 million.

Directors Gattas and Lai moved and seconded, respectively, to authorize Acceptance of March Financial Reports from Chief Financial Officer.

Director Kim – Aye

Director Cota – Absent

Director Gattas – Aye

Director VanDiver – Aye

Director Bradford – Absent

Director Rodriguez-Kennedy – Aye

Director Lai – Aye

Vote: Unanimous

AYES: 5

NAYS: 0

ABSTENTIONS: 0

Director Bradford joined the meeting at 12:13 p.m.

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) Authorization to Place Property, General and Umbrella Liability, Workers' Compensation and Directors & Officers Insurance Through the Brokerage Services of Marsh & McLennan Agency**

Directors Bradford and VanDiver 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 at a cost of \$1,267,359.

Director Kim – Aye

Director Cota – Absent

Director Gattas – Aye

Director VanDiver – Aye

Director Bradford – Aye

Director Rodriguez-Kennedy – Aye

Director Lai – Aye

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

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

(3) Authorization to Contract for Arc Flash Analysis

Directors Gattas and Lai moved and seconded, respectively, to authorize Contracting for an Arc Flash Analysis at a not-to-exceed cost of \$254,508.

Director Kim – Aye

Director Cota – Absent

Director Gattas – Aye

Director VanDiver – Aye

Director Bradford – Aye

Director Rodriguez-Kennedy – Aye

Director Lai – Aye

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

C. Sales and Marketing Committee (Carlos Cota): Mr. Mikschl reported the following:

- Forty-three events were booked by the short-term sales team for \$940,000 in room rental revenue.
- The team is implementing the recent sales strategy with the short-term team's booking activity wherein the team is being very selective about the business booked to ensure that the business is not only profitable for the building, while also continuing to focus on short-term room night growth as well as the community engagement component of the sales strategy.
- The forty-three booked events are a significantly lower number than events booked in previous fiscal years despite the fact that lead volume is almost at record capacity due to pent up demand.
- The Auto Show will be returning later this year on a smaller scale.
- Sharp has rebooked their all-staff meeting for next spring after cancelling for the past two years.
- Staff is also exploring booking a crypto-currency conference for later in the fall. This is the type of event staff hopes to grow into an annual event that will help improve on room-night capacity and incremental revenues for the building.
- Events are continuing to ramp up even as attendance continues to be a concern. However, as travel continues to increase, overall attendance for larger events also continues to increase which is encouraging.
- As a part of the contract with SDTA, the Program of Work, which is the annual outline of budget and collective fiscal year work projects, is in process. The Program will be finalized within the next few weeks and presented to the Board before the end of the fiscal year.

- Ms. Coker reported that long-term sales lead volume is definitely back, and staff are seeing leads picking up and association planners are no longer being indecisive about potential booking. Industry leaders are also finding that 30 per cent of event attendance is booking 30 days prior to arrival at events.
- The tourism community and hoteliers will have to be nimble to make sure hotel room blocks aren't being given up to soon.
- From a planning perspective, last minute confirmations will also be taxing on the Convention Center.
- Mr. Schieferdecker reported that the National School Board Association event shared that in the three weeks prior to arrival, they had 2,600 registrants. By the end of the show, they had 5,100 attendees (i.e., 73% of registrants booked within the last three weeks). SDTA is speaking with hotels and customers to make them aware of the different attendee booking timeframe with regard to potential hotel cut-off dates. All parties involved will have to adjust to the last-minute pick-up.
- March was a good month overall – the long-term sales team closed on 76,000 room nights for future years and 63,000 of those room nights fell into the most pressing needs year of 2026.
- American Association of Cancer Research elected to pull out of Los Angeles in 2025. Through SDTA team member negotiation, this entity decided to book in Chicago in 2025 and to book in San Diego in 2026.
- The American Association of Medical Colleges has been pending for some time. They were finally able to schedule a site visit in March and subsequently booked event space in 2026.
- The SDTA team traveled to client meetings in Alexandria and Maryland, and they also hosted a client event in D.C. that had sixty-eight attendees.
- Team members also attended the PCMA Visionary Awards. The Awards are heavily attended by major clients.
- The Team also hosted smaller client events in the Philadelphia and New York areas.
- The Team will be traveling back to the east coast in two weeks with the “Visit California” roadshow. The gateway cities of Anaheim, Los Angeles, San Francisco, and San Diego will sponsor the event and the representatives will be speaking with a large number of potential clients.
- SDTA has hired a new D.C. representative, Nancy Rosenbaum. Ms. Rosenbaum is highly experienced within the industry and will start with the sales team next Monday.

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

- Mr. Rippetoe reported that the industry event he attended last week also had a last-minute pick-up of twenty-five percent (within the last five days) and final attendance hit pre-pandemic levels.
- Cory Albright has been appointed as the new Chief Operating Officer. Besides overseeing the Procurement Department., Mr. Albright will be responsible for planning and development, facility and environmental services, Public Safety, Guest Services and the continuance of the Strategic Plan and strategic relations. Staff is looking forward to the leadership Mr. Albright will provide.
- The SDCCC/SDTA contract was approved by the City Council yesterday. Ms. Coker thanked the Board and staff for its support marshalling the contract and for the confidence in SDTA. Ms. Coker indicated it was SDTA's goal to fill the Center with “thoughtful and strategic business that keeps San Diegans working.”

- Mr. Rippetoe provided an update on the People & Culture recruitment progress and the Corporation's new compensation philosophy. He also thanked the current core team members for their hard work. Further recommendations regarding stream-lining the recruitment process are pending.
- Staff has received inquiries from events that may host high-profile celebrities that may attract protesters/demonstrators, etc. Staff is working with the City to evaluate those inquiries and staff has determined if an event has the potential to attract demonstrators and/or protestors, the event will need to have a pre-approved security plan from the City to ensure the safety of the community.
- Staff will appear before the City Council's Budget Committee on May 10th to present the SDCCC budget.
- Staff will also be moving forward with implementing a transportation stipend which will assist with employee recruitment.
- Strategic Plan groups are also meeting internally to prepare for the May 16th update presentation to the Executive Committee.
- For "Administrative Professionals Day" Mr. Rippetoe acknowledged and thanked Ms. Evans for her administrative support throughout the past year.
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5. Chair's Report (Carol Kim)

- Chair Kim congratulated Mr. Albright on his elevation to Chief Operating Officer.
- The MPI Chapter of San Diego recognized the SDCCC Team for its contributions to the San Diego meeting industry on Global Meetings Industry Day.
- A new Ad Hoc Compensation Committee will be created. The members will be Directors Kim, Cota and Gattas.
- The next Board meeting is scheduled for June 22, 2022, at noon. There is no May Board meeting; however, Staff will provide a Strategic Plan update at the Executive Committee meeting on May 16, 2022. The Executive Committee has assumed oversight responsibilities for shepherding the Strategic Plan.
- Chair Kim also thanked SDTA for the great work they are achieving in collaboration with the SDCCC team.

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**

8. Closed Session: The Board entered into closed session at 1:02 p.m. to discuss:

**A. EMPLOYEE PERFORMANCE EVALUATION
Government Code Section 54957
Title: President & CEO**

The Board returned to open session at 1:11 p.m.

Reporting out of closed session, General Counsel Lyon stated that the Board discussed item “8A” and direction was given but no reportable action was taken.

There being no further business, the meeting adjourned at 1:11 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 April 27, 2022 and that said minutes were approved by the Board of Directors on June 22, 2022.

Jeff Gattas, Secretary

Agenda Item 3.A

MINUTES*
SAN DIEGO CONVENTION CENTER CORPORATION
THE BOARD OF DIRECTORS

SPECIAL BOARD MEETING OF MAY 23, 2022

BOARD MEMBERS Chair Carol Kim and Directors Carlos Cota, Jaymie Bradford and
PRESENT: Will Rodriguez-Kennedy

BOARD MEMBER(S)
ABSENT: Directors Jeff Gattas, Elvin Lai and Shawn VanDiver

STAFF PRESENT: Rip Rippetoe and Pat Evans (Recorder)

ALSO PRESENT: Jennifer Lyon, General Counsel

*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 Carol Kim called the Board Meeting to order at 9:33 a.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 – Absent
Director VanDiver – Absent
Director Bradford – Present
Director Rodriguez-Kennedy - Present
Director Lai - Absent

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

2. Non-Agenda Public Comments: – Chair Kim 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:

Chair Kim 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. A Resolution 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 Through June 22, 2022 Pursuant to Brown Act Provisions.

Directors Cota and Bradford moved and seconded, respectively, to approve the Resolution set forth hereinabove.

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

Vote: Unanimous

AYES: 4 NAYS: 0 ABSTENTIONS: 0

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

There being no further business, the meeting adjourned at 9:35 a.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 May 23, 2022, and that said minutes were approved by the Board of Directors on 9:35 22, 2022.

Jeff Gattas, Secretary

Agenda Item 3.A.1

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

TO: Board of Directors

FROM: Rip Rippetoe, President & CEO

DATE: For the Agenda of June 22, 2022

RE: Approval of a Resolution of the San Diego Convention Center Corporation, Inc. Confirming a Confidential Fairness of Compensation Review for the Corporation's Chief Financial Officer and Chief Operating Officer

BACKGROUND

After a professional recruitment, Mardeen Mattix was appointed to the Chief Financial Officer ("CFO") position and her salary was set at that time. Her compensation was increased in December 2021 based on a Corporation-wide salary study. Corey Albright was appointed as the Chief Operating Officer ("COO") in April of 2022 and his salary was set based on the position description.

DISCUSSION

Over the last several months, the Corporation has worked with an outside consultant to review various positions within the agency and also to restructure various positions and departments. As such, the CFO and COO have assumed responsibility for additional departments and operations as of April 2022. The consultant has evaluated the salaries of the CFO and COO with respect to the new responsibilities and like positions with other comparable agencies and has made recommendations for salary adjustments. Effective April 2, 2022, the CFO and COO base salaries will be increased in an amount as authorized by the President & CEO and based upon this confidential fairness of compensation review pursuant to the Corporation's Amended and Restated Bylaws and applicable state laws. The proposed compensation is just and reasonable based on the Corporation's review of salaries of other comparable positions in the convention center and venue industry and other comparable agencies.

RECOMMENDATION

That the Board approve the Resolution to confirm the confidential fairness of compensation review for the CFO and COO.

Attachment:

1. Resolution

Agenda Item 3.A.1

RESOLUTION NO. 2022-09

A RESOLUTION OF THE SAN DIEGO CONVENTION CENTER CORPORATION, INC. FINDING THAT THE COMPENSATION OF THE CHIEF FINANCIAL OFFICER AND CHIEF OPERATING OFFICER IS JUST AND REASONABLE

WHEREAS, in 2022, the Corporation completed a confidential compensation study related to the new responsibilities of the Chief Financial Officer (“CFO”) and the Chief Operating Officer (“COO”);

WHEREAS, the Board has previously approved a budget that includes personnel costs and expenses; and

WHEREAS, effective April 2, 2022, the CFO and COO base salaries will be increased based on the study’s recommendations and in an amount as authorized by the President & CEO.

NOW, THEREFORE, be it resolved by the Board of Directors of the San Diego Convention Center Corporation (the “Board”) as follows:

Section 1. The Board hereby finds that the Corporation has conducted a confidential fairness of compensation review pursuant to the Corporation’s Amended and Restated Bylaws and applicable state laws of the proposed compensation to the Chief Financial Officer and Chief Operating Officer as of April 2, 2022 and has found that the proposed compensation is just and reasonable based on its review of job duties and salaries of other comparable positions in the convention center and venue industry and other comparable agencies.

Section 2. This Resolution shall become effective immediately upon adoption.

PASSED, APPROVED and ADOPTED this 22nd day of June, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Carol Kim, Chair

ATTEST:

[Insert Name], Secretary of the Board

Agenda Item 3.B

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

TO: Board of Directors

FROM: Jennifer Lyon, General Counsel

DATE: For the Agenda of June 22, 2022

RE: A RESOLUTION 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.

BACKGROUND

On March 17, 2020 the Governor issued Executive Order N-29-20 related to the COVID-19 pandemic. Pursuant to his Executive Order certain requirements under the Ralph M. Brown Act ("Brown Act") that govern the procedure for public meetings were suspended allowing legislative bodies of agencies across the State to conduct meetings remotely. Executive Order N-29-20 expired on September 30, 2021. On September 16, 2021, the Governor signed into law AB 361 which amends the Brown Act to allow continued flexibility for conducting public meetings. AB 361 was effective on October 1, 2021.

DISCUSSION

AB 361 amended Government Code section 54953 of the Brown Act to allow virtual public meetings through January 1, 2024 in any of the following circumstances:

- The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.
- The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.
- The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

These circumstances allow public agencies to hold entirely virtual and partially virtual public meetings during the current pandemic while California is in a proclaimed state of emergency. If a public meeting is held virtually under the new provisions of AB 361, the agenda must still be posted under the appropriate timelines: 72 hours in advance for a regular board meeting, and 24 hours in advance for a special meeting. The agenda must include the meeting link or dial-in, so that members of the public may access the meeting electronically. Also, the following are requirements under AB 361 for public comments during virtual meetings:

- Members of the public must be allowed to directly address the legislative body or board in real-time during the meeting.
- Legislative bodies or boards can no longer require public comments to only be submitted in writing in advance.
- When legislative bodies or boards use agenda items with timed public comment periods, they must allow those time limits to expire before closing public comment.
- When legislative bodies or boards take public comment separately on each agenda item, they must allow a reasonable amount of time per agenda item.
- In the event the meeting broadcast is disrupted, or if a technical issue on the agency's end disrupts public comment, the legislative body or board cannot take any further action on the agenda until the technical issue is resolved.

Most significantly, to continue to hold virtual meetings under AB 361 when a state of emergency remains active, the legislative body/board must make findings every 30 days that:

- The legislative body/board has reconsidered the circumstances of the state of emergency; and
- The state of emergency continues to directly impact the ability of the members to meet safely in person or state or local officials continue to impose or recommend measures to promote social distancing.

On September 28, 2021, the Board approved the first resolution to allow for remote meetings and extended that regularly thereafter. On April 14, April 27, and May 23, the Board approved resolutions to allow for virtual meetings. The attached Resolution includes the necessary findings to allow the Board and all of its standing committees to extend the authorization to continue to meet all or partially in a virtual mode while this local and state emergency continues for another 30 days. The attached Resolution shows that the Board did consider and reconsider the emergency circumstances and the need to meet remotely. The Resolution includes the fact that the State of California and the City of San Diego declared emergencies in March of 2020 and that those emergency declarations are still in effect. The City of San Diego recently (May 24, 2022) extended its emergency declaration and also approved a resolution to allow it and all of its legislative bodies, which includes SDCCC, to meet remotely pursuant to AB 361.

Additionally, local conditions still require necessary precautions related to COVID-19 because state and/or local officials have imposed or recommended measures to promote social distancing,

such as when there have been recent exposures to COVID-19 positive individuals or persons are experiencing any symptoms of illness. Also, having the legislative bodies of the San Diego Convention Center Corporation conduct in-person meetings at this time would present imminent risks to the health and safety of attendees due to the small size of the Board meeting room, the unknown number of attendees, the potential need for booster shots, the contagious nature of the Omicron variant and other COVID-19 variants, the unknown vaccination status of members of the public who might attend meetings, and the need for a specific number of directors to be present during a meeting to have a quorum for the conduct of business. This Resolution does not mandate that all public meetings be virtual public meetings; it merely lays the framework to allow for all virtual or partially virtual meetings during this pandemic.

Please note that these public meetings under the Brown Act are drastically different than the conventions that are held in the Center because the conventions are held in large areas of the Center and are not freely accessible to the public. The conventions are held under State requirements at this time which may require proof of vaccine status or negative COVID-19 tests for attendance at the conventions. Those same requirements are not in place for members of the public who might attend a Board meeting. Additionally, a person can choose not to attend a convention if they are sick or have been exposed to a person with COVID-19. Directors are required to attend Board meetings because the Board needs a quorum to transact its business.

STAFF RECOMMENDATION

Staff recommends that the Board approve the attached Resolution.

Attachment:

1. Corporation Resolution

Agenda Item 3.B

RESOLUTION NO. 2022-08

A RESOLUTION 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.

WHEREAS, the San Diego Convention Center Corporation (“SDCCC”) is committed to preserving and nurturing public access and participation in meetings of SDCCC and its advisory bodies/standing committees;

WHEREAS, all meetings of SDCCC’s legislative bodies, as defined in the Ralph M. Brown Act (“Brown Act” Cal. Gov. Code 54950 – 54963), are open and public so that any member of the public may attend, participate, and observe the bodies conduct their business;

WHEREAS, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body and the public, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions;

WHEREAS, a required condition is that a state of emergency is declared by the Governor or a local agency pursuant to state law, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state or local agency caused by conditions as described in Government Code section 8558;

WHEREAS, it is further required that state and/or local officials have imposed or recommended measures to promote social distancing, and that the legislative body meeting in-person would present imminent risks to the health and safety of attendees;

WHEREAS, a state of emergency was proclaimed on March 4, 2020 by the Governor of the State of California as a result of the threat of COVID-19, and the City of San Diego proclaimed a local state of emergency related to COVID-19 on March 12, 2020 which has been continued regularly thereafter as required by law;

WHEREAS, the state of emergency continues to exist at a state and local level, and the Board has reconsidered the circumstances of the emergency;

WHEREAS, orders from state and/or local officials continue to recommend social distancing measures to prevent an imminent risk to health and safety as a result of COVID-19;

WHEREAS, as a consequence of the state and local emergency and pursuant to City of San Diego resolution approved on April 26, 2022, the Board does hereby find that the legislative bodies of SDCCC, as defined in the Brown Act, may conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953;

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WHEREAS, the agendas for all remote meetings of SDCCC's legislative bodies shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option and provide a method for real-time public comments as required by law; and

WHEREAS, the Board approved a resolution pursuant to Government Code section 54953(e) on May 23, 2022, has reconsidered it, and wishes to extend it at this time.

NOW, THEREFORE, be it resolved by the Board of Directors of the San Diego Convention Center Corporation (the "Board") as follows:

1. Recitals. The recitals set forth above are true and correct and are incorporated into this Resolution as findings.
2. Reconsideration of State of Emergency. The Board continues to acknowledge the Governor's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020, and the City of San Diego Mayor's Proclamation of State of Emergency, effective March 12, 2020 which have been continued regularly thereafter. The Board has reconsidered the circumstances of this state of emergency.
3. Social Distance Measures and Risks: The Board finds that the state of emergency continues to directly impact the ability of the members to meet safely in person. The Board further finds that state and/or local officials continue to impose or recommend measures to promote social distancing to reduce exposure to COVID-19 and its transmission, such as when there have been recent exposures to COVID-19 positive individuals or persons are experiencing any symptoms of illness. In compliance with recommended or mandated state and/or local social distancing measures, the Board further finds that having the legislative bodies of the San Diego Convention Center Corporation conduct in-person meetings at this time would present imminent risks to the health and safety of attendees due to the small size of the Board meeting room, the unknown number of attendees, the potential need for booster shots, the contagious nature of the Omicron variant and other COVID-19 variants, the unknown vaccination status of members of the public who might attend meetings, and the need for a specific number of directors to be present during a meeting to have a quorum for the conduct of business.
4. Remote Teleconference Meetings. The President & CEO, or designee, and the legislative bodies of the San Diego Convention Center Corporation are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) as needed and other applicable provisions of the Brown Act.
5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption. This Resolution applies for at least 30 days. The Board may extend the terms of this Resolution as required by law every 30 days.

PASSED, APPROVED and ADOPTED this 22nd day of June, 2022 by the following vote:

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AYES:

NOES:

ABSENT:

ABSTAIN:

Carol Kim, Chairperson

ATTEST:

[Insert Name], Secretary of the Board

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San Diego Convention Center Corporation PERSONNEL POLICY

Subject: Motor Vehicle Policy

Policy No.:

Issue No.:

Date: June 2022

Supersedes:

Employees who drive on Company business are expected to drive safely and responsibly and to use good judgment and courtesy. Employees are also subject to the following rules and conditions:

1. Employees may not use a Company vehicle without express authorization from the appropriate director. **A Vehicle Use Form must be completed and provided to Risk Management, along with a copy of a valid and current driver's license, prior to operating a company vehicle. A Vehicle Use Log must be maintained in each company vehicle and updated with each use.**
2. Employees who drive their own vehicles for work must maintain the minimum amount of insurance required by state law as a condition of continued employment. SDCCC may request proof of insurance at any time.
3. A valid driver's license must be maintained as a condition of continued employment for positions that require driving. SDCCC may request to see an employee's license at any time.
4. Employees must follow all driving laws and safety rules, such as adherence to posted speed limits and directional signs, use of turn signals, and avoidance of confrontational or offensive behavior while driving. Employees must wear seat belts at all times, whether they are the driver or a passenger.
5. Except for a phone being used for navigation purposes only, employees are required to turn off cell phones or put them on silent before starting the vehicle. Employees are permitted and encouraged to communicate the reason why calls may not be returned immediately to clients, employees, and business partners. Employees who are using a device for navigation purposes should complete all setup before starting the vehicle. The use of electronic devices for purposes other than navigation is strictly prohibited. This includes, but is not limited to, making or receiving phone calls, sending or receiving text messages or emails, browsing the internet, reading books, and downloading information from the web. If an employee needs to engage in any of these activities while driving, they must pull over to a safe location and stop the vehicle before using any device.
6. Employees should not engage in other distracting activities such as eating, shaving, or putting on makeup, even in stopped or slow-moving traffic.
7. The use of alcohol, drugs, or other substances that in any way impair driving ability is prohibited. This includes, but is not limited to, over-the-counter cold or allergy medications and sleep aids that have a residual effect.
8. All passengers must be approved by management in advance of travel and must not ride in any part of the vehicle not specifically intended for passenger use or any seat that does not have a working seat belt.
9. Employees must promptly report any accidents to local law enforcement as well as to Risk Management.

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10. Employees must promptly report any moving or parking violations received while driving on SDCCC business or in company vehicles.
11. Employees who are required to drive as a condition of employment must maintain an acceptable driving record; the inability to be insured under the Corporation's automobile insurance policy may impact continued employment.

This Policy may be amended, modified or supplemented from time to time by SDCCC, as necessary to conform to SDCCC's needs or desires in connection with the employee's alternate work site arrangements, to conform to changes in the policy or procedure, or as otherwise necessary to address business needs or to comply with laws, rules, or regulations.

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SDCCC Motor Vehicle Use Authorization Form

Employee Name _____

Employee Driver's License Number _____

The above-named employee is authorized to operate an SDCCC motor vehicle under the following conditions:

- All applicable traffic laws and safety precautions are followed.
- The employee assumes full responsibility for any traffic violations and/or fines arising out of the use of the automobile.
- No unauthorized passengers will be allowed in the vehicle.
- Any suspected maintenance issues or circumstances causing damage to the vehicle will be reported immediately.
- The automobile will be used exclusively for pre-approved SDCC business purposes.
- **All standards listed in the SDCCC Vehicle Use Policy (xxxx) will be followed.**

I have read, understood, and agree to comply with the above conditions. I also authorize a representative of SDCC to request my motor vehicle record report from the Department of Motor Vehicles.

Employee Signature _____ Date _____

Director Approval:

(Print Name) _____ Date _____

(Signature) _____ Date _____

Submit to Risk Management with copy of driver's license

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San Diego Convention Center Corporation

EMPLOYMENT POLICY

Subject: DRUG FREE WORKPLACE
Policy No.: 703 (previously 504)
Issue No.: 6
Date: June 2022
Supersedes: November 2009

1. Purpose

Our employees' health and well-being are important to us. In addition, the San Diego Convention Center Corporation ("Corporation") has a long-standing commitment to provide a safe and productive work environment. Alcohol and drug abuse poses a threat to the health and safety of employees and to the security of our equipment and facilities. For these reasons, the Corporation is committed to the elimination of drug and alcohol use and abuse in the workplace.

This policy provides an overview of important practices and procedures designed to correct instances of identified alcohol and/or drug abuse in the workplace. This policy applies to all employees and all applicants for employment of the Corporation.

2. Alcohol

2.1 Except for approved functions and activities, all employees are prohibited from consuming alcoholic beverages during working hours.

2.1.1 Working hours is defined as all compensated work time including breaks, but not including uncompensated lunch hours or time before and after the scheduled workday. However, as stated below, employees should not report to work under the influence of alcohol. Therefore, consuming alcohol during meal breaks is prohibited.

2.2 All employees are prohibited from consuming or processing alcoholic beverages while on Corporation property or in Corporation uniform. Except for approved functions and activities.

2.3 All employees are prohibited from consuming alcoholic beverages at any time if the use of alcohol has or could have a detrimental effect on job performance or the ability to operate company equipment.

2.4 All employees are prohibited from reporting to work or working while under the influence of alcohol. Employees who are suspected of being under the influence will be removed from work and tested. Employees will be considered under the influence of tests reveal body alcohol content of .08 or higher.

2.5 Employees who operate equipment and machinery, including power tools and power equipment, and employees who perform security and public safety duties as a regular part of their daily activities, or who are required to operate motor vehicles, are prohibited from consuming alcoholic beverages at any

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time during their work shift, including compensated breaks and uncompensated lunch periods. Employees working in the above capacities will be considered under the influence if tests reveal any perceptible trace of alcohol.

3. Controlled Substances

3.1 The unlawful use, sale, negotiation for the sale of or the possession of drugs, drug paraphernalia or controlled substances by Corporation employees during working hours, on Corporation property, in Corporation vehicle or in Corporation uniform is prohibited and will result in termination of employment.

3.2 The lawful use or possession of medication or controlled substances, prescribed by a licensed physician or the use or possession of a non-prescription medication is not prohibited. An employee whose job performance may be affected by such use, must advise their supervisor. Failure to advise your supervisor may result in discipline for poor performance or misconduct.

4. Required Testing

The Corporation complies with all federal, state and local testing laws and regulations. The company retains the right to require the following tests:

4.1 Pre-Employment: All candidates who have received a written offer may be required to undergo testing for alcohol and drug screening.

4.2 Reasonable Suspicion: Reasonable Suspicion is defined as a belief based on objective facts sufficient to lead reasonable prudent person to suspect that an employee is under the influence of a substance. Reasonable suspicion may result from an actual observation of the use of substance by an employee; an employee's involvement in an on-the-job accident; an employee's excessive absence or tardiness; possession of alcohol/drugs in violation of this policy; reliable information that the employee is currently or has recently used a controlled substance or alcohol. Employees are subject to testing based on (but not limited to) observations of apparent workplace use, possession, or impairment. Management must use the *Reasonable Suspicion Observation Form* to document specific observations and behaviors that create a reasonable suspicion that an employee is under the influence of illegal drugs or alcohol before sending an employee for testing. Examples include:

- Odors (smell of alcohol, body odor or urine, inattention to personal hygiene)
- Movements (unsteady, fidgety, dizzy)
- Eyes (dilated pupils, constricted or watery eyes, or involuntary eye movements)
- Face (flushed, sweating, confused or blank look)
- Speech (slurred, slow, distracted mid-thought, inability to verbalize thoughts)
- Emotions (argumentative, agitated, irritable, drowsy, severe mood swings, unexplained personality change)
- Actions (yawning, twitching)
- Inactions (sleeping, unconscious, no reaction to questions)

When reasonable suspicion testing is warranted, Management will meet with the employee to explain the observations and the requirement to undergo a drug and/or alcohol test within two hours. Refusal

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by an employee will be treated as a positive drug test result and will subject the employee to termination.

Under no circumstances will the employee be allowed to drive themselves to the testing facility. Transportation will be provided for the employee to go the testing site or will be arranged for the employee to be transported home.

4.3 Employee Accident – Employees involved in on-the-job accidents which results in personal injury while using power tools, operating a vehicle or equipment requiring medical treatment; injury to another individual due to an employee's actions requiring medical treatment; or property damage where the employee has violated safety policies, rules, or regulations, shall be required to undergo a compulsory medical examination including drug and alcohol screening.

4.4 Any employees required to take a mandatory drug test will also be required to authorize in writing the disclosure of the results of such test under this policy. Failure to do so may result in disciplinary action up to and including discharge. Refusal to immediately submit to an alcohol and/or drug test by San Diego Convention Center Corporation management or law enforcement personnel, will constitute insubordination and may result in termination.

4.5 Any employees found to be under the influence of alcohol or controlled substances i will result in termination of employment.

5. Confidentiality

5.1 Maximum feasible confidentiality will be maintained during all alcohol and drug testing procedures. The results of all alcohol and drug testing will be disclosed on a need-to-know basis.

6. Drug Free Workplace

6.1 The Corporation is covered by the Federal Drug-Free Workplace Act and The California Drug-Free Workplace Act, and provides a drug-free workplace. As a covered employer, the Corporation must certify to the contracting government agencies that it will provide a drug-free workplace in connection with the performance of its government contracts. All employees will be given and will be required to sign an Employee Notification Statement. The Corporation will include drug-free awareness information in its programs and will comply with the requirements that the government be notified of any employee's workplace-related drug conviction.

In connection with the Corporation's drug-free workplace compliance efforts, please note the following requirements.

- Employees must, as a condition of employment, report any conviction under a criminal drug statute for violations occurring on Corporation premises or while conducting Corporation business. A report of a conviction must be made to People & Culture Department within five days of the conviction. Within ten days of learning about an employee's conviction, the Corporation must notify any governmental agency with which it contracts or subcontracts of the employee's criminal drug statute conviction.

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- Within 30 days of the date the Corporation learns of an employee's conviction, the employee will be disciplined, up to and including termination. Any employee not terminated will be required to satisfactorily participate and complete a drug abuse assistance or rehabilitation program.
- Each employee, as a condition of employment, shall sign an Employee Notification Statement which sets forth the requirements of the Drug-Free Workplace Act.

The Corporation will make ongoing good-faith efforts to maintain a drug-free workplace by implementing the above requirements. Any questions regarding our drug-free workplace compliance efforts should be directed to the People & Culture Department.

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San Diego Convention Center Corporation^s

~~PERSONNEL EMPLOYMENT~~ POLICY

Subject: ~~SUBSTANCE ABUSE POLICY~~; DRUG FREE WORKPLACE
Policy No.: 7036 (previously 504)
Issue No.: 56
Date: ~~November 2009~~ June 2022
Supersedes: November ~~2003~~ 2009

1. Purpose

Our employees' health and well-being are important to us. In addition, the San Diego Convention Center Corporation ("Corporation") has a long-standing commitment to provide a safe and productive work environment. Alcohol and drug abuse poses a threat to the health and safety of employees and to the security of our equipment and facilities. For these reasons, the Corporation is committed to the elimination of drug and alcohol use and abuse in the workplace.

This policy provides an overview of important practices and procedures designed to correct instances of identified alcohol and/or drug abuse in the workplace. This policy applies to all employees and all applicants for employment of the Corporation.

~~1. In recognition of the public service responsibility entrusted to the employee of the San Diego Convention Center Corporation, and the fact that substance abuse can hinder a person's ability to perform duties safely and effectively, the Corporation strictly adheres to the following policy against substance abuse.~~

2. Alcohol

2.1 Except for approved functions and activities, all employees are prohibited from consuming alcoholic beverages during working hours.

2.1.1 Working hours is defined as all compensated work time including breaks, but not including uncompensated lunch hours or time before and after the scheduled ~~work day~~ workday. However, as stated below, employees should not report to work under the influence of alcohol. Therefore, consuming alcohol during meal breaks is prohibited.

2.2 All employees are prohibited from consuming or processing alcoholic beverages while on Corporation property or in Corporation uniform. Except for approved functions and activities.

2.3 All employees are prohibited from consuming alcoholic beverages at any time if the use of alcohol has or could have a detrimental effect on job performance or the ability to operate company equipment.

2.4 All employees are prohibited from reporting to work or working while under the influence of alcohol. Employees who are suspected of being under the influence will be removed from work and

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tested. Employees will be considered under the influence of tests reveal body alcohol content of .08 or higher.

2.5 Employees who operate equipment and machinery, including power tools and power equipment, and employees who perform security and public safety duties as a regular part of their daily activities, or who are required to operate motor vehicles, are prohibited from consuming alcoholic beverages at any time during their work shift, including compensated breaks and uncompensated lunch periods. Employees working in the above capacities will be considered under the influence if tests reveal any perceptible trace of alcohol.

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3. Controlled Substances

3.1 The unlawful use, sale, negotiation for the sale of or the possession of drugs, drug paraphernalia or controlled substances by Corporation employees during working hours, on Corporation property, in Corporation vehicle or in Corporation uniform is prohibited and will result in termination of employment.

3.2 The lawful use or possession of medication or controlled substances, prescribed by a licensed physician or the use or possession of a non-prescription medication is not prohibited. An employee whose job performance may be affected by such use, must advise his/her/their supervisor. Failure to advise your supervisor may result in discipline ~~disciplines~~ for poor performance or misconduct.

4. Required Testing

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The Corporation complies with all federal, state and local testing laws and regulations. The company retains the right to require the following tests:

4.1 Pre-Employment: All candidates who have received a written offer may be required to undergo testing for alcohol and drug screening. Post-Employment Offer: All applicants for employment are required to pass a post-employment offer alcohol and drug screening.

4.2 Reasonable Suspicion: Reasonable Suspicion is defined as a belief based on objective facts sufficient to lead reasonable prudent person to suspect that an employee is under the influence of a substance. Reasonable suspicion may result from an actual observation of the use of substance by an employee; an employee's involvement in an on-the-job accident; an employee's excessive absence or tardiness; possession of alcohol/drugs in violation of this policy; reliable information that the employee is currently or has recently used a controlled substance or alcohol. Employees are subject to testing based on (but not limited to) observations of apparent workplace use, possession, or impairment. Management must use the *Reasonable Suspicion Observation Form* to document specific observations and behaviors that create a reasonable suspicion that an employee is under the influence of illegal drugs or alcohol before sending an employee for testing. Examples include:

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- -Odors (smell of alcohol, body odor or urine, inattention to personal hygiene)
- Movements (unsteady, fidgety, dizzy)
- Eyes (dilated pupils, constricted or watery eyes, or involuntary eye movements)

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- Face (flushed, sweating, confused or blank look)
- Speech (slurred, slow, distracted mid-thought, inability to verbalize thoughts)
- Emotions (argumentative, agitated, irritable, drowsy, severe mood swings, unexplained personality change)
- Actions (yawning, twitching)
- Inactions (sleeping, unconscious, no reaction to questions)

When reasonable suspicion testing is warranted, ~~both the appropriate manager and HR~~ Management will meet with the employee to explain the observations and the requirement to undergo a drug and/or alcohol test within two hours. Refusal by an employee will be treated as a positive drug test result and will subject the employee to termination.

Under no circumstances will the employee be allowed to drive themselves to the testing facility. ~~Transportation will be provided for the employee to go the testing site or will be arranged for the employee to be transported home.~~ An employee may be required to undergo a compulsory medical examination including drug and alcohol screening if there is a reasonable suspicion of substance abuse.

4.2.1 — Reasonable Suspicion is defined as a belief based on objective facts sufficient to lead reasonable prudent person to suspect that an employee is under the influence of a substance. Reasonable suspicion may result from an actual observation of the use of substance by an employee; an employee's involvement in an on-the-job accident; an employee's excessive absence or tardiness; possession of alcohol/drugs in violation of this policy; reliable information that the employee is currently or has recently used a controlled substance or alcohol; observation of physical symptoms such as slurred speech, red and/or watery eyes, unsteady gait, dilated pupils, drowsiness or sleeping on the job, observation of severe mood swings, unexplained personality change, inattention to personal hygiene and frequent unexplained or excessive accidents.

4.3 Employee Accident — Employees involved in on the job on the job accidents which results in personal injury while using power tools, operating a vehicle or equipment requiring medical treatment; injury to another individual due to an employee's actions requiring medical treatment; or property damage where the employee has violated safety policies, rules, or regulations, shall be required to undergo a compulsory medical examination including drug and alcohol screening.

4.4 Any employees required to take a mandatory drug test will also be required to authorize in writing the disclosure of the results of such test under this policy. Failure to do so may result in disciplinary action up to and including discharge. Refusal to immediately submit to an alcohol and/or drug test by San Diego Convention Center Corporation management or law enforcement personnel, will constitute insubordination and may result in termination.

4.5 Any employees found to be under the influence of alcohol or controlled substances is prohibited and will result in termination of employment.

5. Confidentiality

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5.1 Maximum feasible confidentiality will be maintained during all alcohol and drug testing procedures. The results of all alcohol and drug testing will be disclosed on a ~~need-to-know~~need-to-know basis.

6. Drug Free Workplace

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6.1 The Corporation is covered by the Federal Drug-Free Workplace Act and The California Drug-Free Workplace Act, and provides a drug-free workplace. As a covered employer, the Corporation must certify to the contracting government agencies that it will provide a drug-free ~~w~~Workplace in connection with the performance of its government contracts. All employees will be given and will be required to sign

~~a~~An Employee Notification Statement. The Corporation will include drug-free awareness information in its programs and will comply with the requirements that the government be notified of any employee's workplace-related drug conviction.

In connections with the Corporation's drug-free workplace compliance efforts, please note the following requirements.

- Employees must, as a condition of employment, report any conviction under a criminal drug statute for violations occurring on Corporation premises or while conducting Corporation business. A report of a conviction must be made to ~~Human Resources~~People & Culture Department within five days of the conviction. Within ten days of learning about an employee's conviction, the Corporation must notify any governmental agency with which it contracts or subcontracts of the employee's criminal drug statute conviction.
- Within 30 days of the date the Corporation learns of an employee's conviction, the employee will be disciplined, up to and including termination. Any employee not terminated will be required to satisfactorily participate and complete a drug abuse assistance or rehabilitation program.
- Each employee, as a condition of employment, shall sign an Employee Notification Statement which sets forth the requirements of the Drug-Free Workplace Act.

The Corporation will make ongoing good-faith efforts to maintain a drug-free workplace by implementing the above requirements. ~~Our failure to comply with the provisions of the drug-free workplace statutes may subject the corporation to loss of payments under a government contract, termination of the contract, and debarment as a contractor for up to five years.~~ Any questions regarding our drug-free workplace compliance efforts should be directed to the ~~Human Resources~~People & Culture Department.

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San Diego Convention Center Corporation

EMPLOYMENT POLICY

Subject: ACCOMMODATION OF EMPLOYEES SEEKING TREATMENT/REHABILITATION
Policy No.: 705
Issue No.: 2
Date: June 2022
Supersedes: August 2009

The Corporation will attempt to reasonably accommodate employees with chemical dependencies (alcohol or drugs). Only if they have not first violated the Corporation's drug and alcohol policy. If an employee voluntarily wants to seek treatment and/or rehabilitation, they should request an unpaid treatment or rehabilitation leave of absence. Although the Corporation will support an employee's request for treatment and rehabilitation, the Corporation is not obligated to continue to employ any person who violates the Corporation's drug and alcohol abuse policy or whose job performance is impaired because of substance abuse. Employees who violate the drug and alcohol abuse policy or whose job performance is impaired as a result of substance abuse will be subject to discipline up to and including termination. The Corporation is also not obligated to reemploy any person who was participated in treatment or rehabilitation if that person's job performance remains impaired as a result of dependency. Employees who are given the opportunity to seek treatment and/or rehabilitation and are involved in any further violations of this policy will not be given a second opportunity to seek treatment or rehabilitation.

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San Diego Convention Center Corporation

PERSONNEL EMPLOYMENT POLICY

Subject: ACCOMMODATION OF EMPLOYEES SEEKING TREATMENT/REHABILITATION

PolicyNo.: 705

Issue No.: 12

Date: June 2022~~August 2009~~

Supersedes: August 2009

The Corporation will attempt to reasonably accommodate employees with chemical dependencies (alcohol or drugs). Only if they have not first violated the Corporation's drug and alcohol policy. If an employee voluntarily wants to seek treatment and/or rehabilitation, ~~they~~^{he or she} should request and unpaid treatment or rehabilitation leave of absence. Although the Corporation will support an employee's request for treatment and rehabilitation, the Corporation is not obligated to continue to employ any person who violates the Corporation's drug and alcohol abuse policy or whose job performance is impaired because of substance abuse. Employees who violate the drug and alcohol abuse policy or whose job performance is impaired as a result of substance abuse will be subject to discipline up to and including termination. The Corporation is also not obligated to reemploy any person who was participated in treatment or rehabilitation if that person's job performance remains impaired as a result of dependency. Employees who are given the opportunity to seek treatment and/or rehabilitation and are involved in any further violations of this policy will not be given a second opportunity to seek treatment or rehabilitation.

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San Diego Convention Center Corporation

~~PERSONNEL-EMPLOYMENT~~ POLICY

Subject: ACCOMMODATION OF EMPLOYEES SEEKING TREATMENT/REHABILITATION
PolicyNo.: 705
Issue No.: ~~12~~
Date: ~~June 2022~~~~August 2009~~
Supersedes: ~~August 2009~~

The Corporation will attempt to reasonably accommodate employees with chemical dependencies (alcohol or drugs). Only if they have not first violated the Corporation's drug and alcohol policy. If an employee voluntarily wants to seek treatment and/or rehabilitation, ~~they~~~~he or she~~ should request and unpaid treatment or rehabilitation leave of absence.~~;~~ Although the Corporation will support an employee's request for treatment and rehabilitation, the Corporation is not obligated to continue to employ any person who violates the Corporation's drug and alcohol abuse policy or whose job performance is impaired because of substance abuse. Employees who violate the drug and alcohol abuse policy or whose job performance is impaired as a result of substance abuse will be subject to discipline up to and including termination. The Corporation is also not obligated to reemploy any person who was participated in treatment or rehabilitation if that person's job performance remains impaired as a result of dependency. Employees who are given the opportunity to seek treatment and/or rehabilitation and are involved in any further violations of this policy will not be given a second opportunity to seek treatment or rehabilitation.

San Diego Convention Center Employee Handbook



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Welcome

Welcome to the San Diego Convention Center Corporation (“SDCCC”) team! We are delighted that you have chosen to join the team and hope that you will enjoy a long and successful career with us.

This Handbook is not intended to create contractual rights or an employment contract, but is intended to provide employees with important information about working at SDCCC in order to help you be successful in your role. The Handbook also contains information related to employee benefits and key policies governing your employment. Please read, understand, and comply with all provisions of the handbook.

SDCCC reserves the right to revise, supplement, or rescind any policies and any part of this handbook from time to time as it deems appropriate in its sole discretion, except that SDCCC’s at-will employment policy may only be changed in writing signed by both SDCCC’s President & CEO and the employee.

Except for employees who are covered by a collective bargaining agreement (“CBA”), your employment with the San Diego Convention Center Corporation is “at-will” and may be terminated by you or SDCCC at any time. If your work place and job classification are covered by a CBA, that agreement supersedes any inconsistencies between the CBA and this handbook.

While every attempt has been made to create policies consistent with federal and state law, if an inconsistency arises, SDCCC’s policies will be enforced consistent with the applicable law, including any state or municipal laws that might apply.

Please take time to review the policies contained in this handbook. If you have questions, feel free to ask your supervisor or contact the People & Culture department. The People & Culture team is dedicated to supporting employees throughout their employment with the Corporation.

Again, welcome to SDCCC. We look forward to working with you.

About Us

Our 2.6-million-square-foot facility is located along the waterfront in downtown San Diego, steps from the bustling Gaslamp District. Our Convention Center and our team are recognized as leaders in our industry and we have received the Venue of Excellence award from the International Association of Venue Managers (IAVM).

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Purpose & Promise

Our Purpose: The San Diego Convention Center is the region's premier gathering place, hosting conventions, trade shows and community events that economically benefit the City of San Diego and advance our convention and tourism industry.

Our Promise: To provide our customers and guests outstanding service, consistently exceeding expectations, so that they want to come back over and over again, to invest further in San Diego.

Core Values:

Integrity: We are truthful and honest. We do what we say whether the task is big or small. Our language and actions in the performance of our duties are above reproach. They are based on values rather than personal gains. Our code of conduct relies on trust, honesty, respect and dignity.

Service: We commit to not only meeting the needs but surpassing the expectations of every guest to our facility. Excellence is our minimum standard in maintaining our facility and in our personal grooming in order to create an exceptional first impression for our guests. Any staff that is not directly serving a customer is to be serving someone who is...we take pride in developing lasting relationships.

Collaboration: We create an environment that encourages the participation and cooperation of all team members to achieve the best results. We over communicate to ensure everyone works together for the greater good. We listen to understand rather than just to reply.

Courage: We work together toward our goals despite the presence of risk, uncertainty or fear. We make choices that reflect our hopes and power to change when it serves our customers. We speak up when something does not meet work standards or our core values.

Accountability: Everyone is accountable to each other in providing service and high work standards. Anyone inside or outside the organization can ask 'why?' If we don't have a good answer, we change the decision. We keep ourselves well informed, and if we don't know the answer to a question, find the answer as soon as possible and relay it to our guest immediately. Every question about our facility and services deserves an intelligent answer.

Essential Employment Policies

1. Equal Employment Opportunity

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SDCCC is committed to creating and maintaining a workplace in which all employees have an opportunity to participate and contribute to the success of the business and are valued for their skills, experience, and unique perspectives.

SDCCC provides equal employment opportunities to all employees and applicants for employment without regard to race, color, religious creed, age, ancestry, religion (including religious dress and grooming and having requested accommodation of bona fide religious belief or practice), family care, military caregiver and/or medical leave status, sex (including childbirth, breastfeeding and related medical conditions and requesting accommodation for a pregnancy or childbirth-related condition), gender, gender identity, and/or gender expression, sexual orientation, national origin, physical or mental disability (including requesting an accommodation for a disability), military and/or veteran status, marital and/or domestic partner status, status as a victim of domestic violence, sexual assault or stalking (including requesting related accommodations), genetic characteristics, or any other employee or applicant status or category protected by law.

Equal employment opportunity applies to all terms and conditions of employment, including hiring, placement, promotion, termination, layoff, recall, transfer, leave of absence, compensation, and training.

All employees are expected to conduct themselves in a manner supportive of SDCCC's commitment to equal employment opportunity. Employees should, and supervisors must, promptly report any observed or suspected violations of this policy to People & Culture or SDCCC President & CEO so that SDCCC can investigate, respond and take appropriate corrective action in a timely manner.

2. Reasonable Accommodations

SDCCC provides reasonable accommodations consistent with applicable law for qualified employees and applicants with known disabilities or who request accommodation for disabilities; employees who request accommodation for pregnancy, childbirth or related medical conditions; employees who are victims of domestic violence, sexual assault or stalking; and for applicants and employees based on their religious beliefs and/or practices.

If you believe that you require such an accommodation, please contact People & Culture so that SDCCC may engage in an interactive process to determine whether a reasonable and effective accommodation can be identified. You should specify in what way you are limited in your ability to perform your job and what accommodation you believe is needed. SDCCC will review the situation with you and identify possible accommodations, if any, that will enable you to perform the essential functions of your job. If there is more than one possible accommodation, SDCCC will decide which one will be provided.

3. Lactation Accommodation

SDCCC will reasonably accommodate lactation. Employees may use their meal and/or rest periods for the purpose of expressing breast milk. If required, a reasonable amount of additional time will be provided. Such additional time will be unpaid.

To request lactation accommodation, employees should contact People & Culture. SDCCC will work with the employee to determine the appropriate break times and location for expressing milk. SDCCC will respond to an employee's request for lactation accommodation within five business days. Employees will be provided with a room that has a seat, access to electricity, and is safe, clean, and free of toxic materials. The location for expressing milk will be in close proximity to a sink and a refrigerator. To ensure privacy, employees should make arrangements for these breaks with their supervisor.

Please see People & Culture for more information. In the unlikely event that an employee is not accommodated under this policy, you have the right to file a complaint with the California Labor Commissioner.

4. Harassment, Discrimination, and Retaliation Prevention Policy

SDCCC does not tolerate discrimination against or the harassment of any applicant or employee on the basis of age, sex (including pregnancy, childbirth, breastfeeding or related medical conditions), race, color, ancestry, religion (including religious dress and grooming practices), religious creed, citizenship, gender, gender identity, gender expression, transgender status, sexual orientation, marital status, national origin, military or veteran status, mental or physical disability, medical condition, genetic information or any other basis protected by applicable federal, state or local laws. All such discrimination and harassment is prohibited.

This policy also prohibits discrimination or harassment based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics.

SDCCC's anti-harassment policy applies to all persons involved in the operation of SDCCC and prohibits inappropriate and/or unlawful harassment by employee (including management, supervisors, coworkers), as well as vendors, guests, customers, clients, and any other persons.

4.1 What Constitutes Harassment?

"Unlawful harassment" is conduct that has the purpose or effect of creating an intimidating, hostile, or offensive work environment; has the purpose or effect of substantially and unreasonably interfering with an individual's work performance; or otherwise adversely affects an individual's employment opportunities because of the individual's membership in a protected class.

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Unlawful harassment includes, but is not limited to, epithets; slurs; jokes; pranks; innuendo; comments; written or graphic material; stereotyping; or other threatening, hostile, or intimidating acts based on race, color, ancestry, national origin, gender, sex, sexual orientation, marital status, religion, age, disability, veteran status, or other characteristic protected by state or federal law.

While all forms of harassment are prohibited, sexual harassment deserves special mention. "Sexual harassment" is generally defined under both state and federal law as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature where:

- Submission to or rejection of such conduct is made either explicitly or implicitly a term or condition of any individual's employment or as a basis for employment decisions; *or*
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.

Other sexually oriented conduct, whether intended or not, that is unwelcome and has the effect of creating a work environment that is hostile, offensive, intimidating, or humiliating to workers may also constitute sexual harassment.

Although actions may not rise to the level of a legally defined violation, they may still violate this policy. Clearly, sexual harassment is unprofessional and not supportive of a high performing work environment. Sexually harassing conduct can be physical, verbal, visual or written, and can occur between people of the same or different sex and/or same or different sexual orientation. Sexual harassment can occur between peers, supervisor to subordinate, subordinate to supervisor, or clients or vendors to employee.

While it is not possible to list all those additional circumstances that may constitute sexual harassment, the following are some examples of conduct that, if unwelcome, may constitute sexual harassment depending on the totality of the circumstances, including the severity of the conduct and its pervasiveness:

- Unwanted sexual advances, whether they involve physical touching or not;
- Sexual epithets, jokes, written or oral references to sexual conduct, gossip regarding one's sex life, comments about an individual's body, comments about an individual's sexual activity, deficiencies, or prowess;
- Displaying sexually suggestive objects, pictures, or cartoons;
- Unwelcome leering, whistling, brushing up against the body, sexual gestures, or suggestive or insulting comments;
- Inquiries into one's sexual experiences; and
- Discussion of one's sexual activities.

Bullying behavior, regardless of whether it is motivated by a protected characteristic, is also prohibited by this policy. "Bullying" or "abusive conduct" means conduct of an employer or employee in the workplace, with malice, that a reasonable person would find hostile, offensive, and unrelated to an employer's legitimate business interests.

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Abusive conduct may include repeated infliction of verbal abuse, such as the use of derogatory remarks, insults, and epithets, verbal or physical conduct that a reasonable person would find threatening, intimidating, or humiliating, or the gratuitous sabotage or undermining of a person's work performance.

4.2 Romantic/Dating Relationships

Romantic or sexual relationships between supervisors and subordinate employees are prohibited. There is an inherent imbalance of power and potential for exploitation in such relationships. The relationship may create an appearance of impropriety and lead to charges of favoritism by other employees. A welcome sexual relationship may change, with the result that sexual conduct that was once welcome becomes unwelcome and harassing.

Employees who enter into a relationship that would violate this policy must immediately disclose the relationship to People & Culture so that appropriate steps may be taken to eliminate the reporting relationship.

4.3 Retaliation Prohibited

All employees should take special note that retaliation against an individual who has complained about sexual or other harassment, discrimination, and/or retaliation is strictly prohibited. Likewise, retaliation against individuals for cooperating with an investigation of sexual or other harassment, discrimination, or retaliation complaint is unlawful and will not be tolerated at SDCCC.

Retaliation means adverse conduct taken because an individual reported an actual or perceived violation of this policy, opposed practices prohibited by this policy, or participated in the reporting and investigation process described below.

“Adverse conduct” includes but is not limited to:

- shunning and avoiding an individual who reports harassment, discrimination, or retaliation;
- express or implied threats or intimidation intended to prevent an individual from reporting harassment, discrimination, or retaliation; or
- denying employment benefits because an applicant or employee reported harassment, discrimination, or retaliation or participated in the reporting and investigation process.

4.4 Complaint Procedures

Any employee who believes they have been subject to or witnessed a violation of this Harassment, Discrimination, and Retaliation Prevention Policy is requested and encouraged to immediately make a complaint. You may complain directly to your immediate supervisor, the People & Culture department, the President & CEO, or any other member of management with whom you feel comfortable bringing such a complaint.

Similarly, if you observe acts of discrimination toward, harassment of, or retaliation toward another employee, non-supervisory employees are requested and encouraged

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to report this to one of the individuals listed above. Managers *must* report to People & Culture all harassment, discrimination, or retaliation that they witness or are informed about.

No reprisal, retaliation, or other adverse action will be taken against an employee for making a good faith complaint or report of discrimination or harassment or for assisting in the investigation of any such complaint or report. Any suspected retaliation or intimidation should be reported immediately to one of the persons identified above.

All complaints will be investigated promptly, thoroughly, and objectively, and, to the extent possible, with regard for confidentiality. However, in the course of its investigation, SDCCC may have to include others on a need-to-know basis.

SDCCC expects all employees to cooperate in investigations whether as a witness, third party, complainant, or accused. The complainant(s) and the accused(s) will be notified of the outcome of the investigation; however, because of privacy concerns, specific personnel actions taken in response to an investigation may not be shared.

If the investigation confirms conduct contrary to this policy has occurred, SDCCC will take immediate, appropriate, remedial action. Any employee, regardless if they are in a supervisory or non-supervisory position, that is determined by SDCCC to be responsible for harassment, discrimination, or retaliation in violation of this policy will be subject to appropriate disciplinary action, up to and including immediate termination.

Individuals who engage in unlawful harassment may also be held personally liable for their conduct, including monetary penalties as set by a court.

Employees may also lodge complaints with the local office of the Equal Employment Opportunity Commission (“EEOC”) or the California Department of Fair Employment and Housing (“DFEH”).

4.5 Required Training

California law mandates all non-supervisory employees complete one hour of harassment prevention training within six months of hire. Supervisory employees are required to complete two hours of harassment prevention training within six months of hire or promotion to a supervisory position. Thereafter, training must be completed every two years. Failure to complete this required training may result in disciplinary action up to and including termination.

5. Whistleblower

SDCCC requires all employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities, and to comply with all applicable federal, state and local laws, rules and regulations. Should you become aware of, or suspect: (1) a violation of federal, state, or local laws, rules or regulations;

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or (2) an instance of fraud, corruption, theft of Corporation property or other illegal or unethical activity, you must immediately report the incident to Corporation management, the People & Culture department, or via the Corporate Fraud Hotline or Employee Hotline numbers. Notices with further details regarding the Whistleblower policy are posted throughout the facility.

6. Pay Transparency and Salary History

SDCCC will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as a part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, except as required by law.

In addition, all employees interviewing candidates are prohibited from seeking information regarding an applicant's salary history.

Employment Terms and Responsibilities

1. At-Will Employment

Employment with SDCCC is "at-will," meaning you and SDCCC have the right to terminate your employment relationship at any time with or without cause and with or without prior notice, regardless of your level or length of service.

Only SDCCC's President & CEO has the authority to establish or enter into any contract that changes the "at-will" nature of your employment as described above. Any such contract must be in writing and signed by SDCCC's President & CEO.

2. Employment Classification

In order to determine eligibility for benefits and overtime status and to ensure compliance with federal and state laws and regulations, SDCCC classifies its employees as shown below. SDCCC may review or change employee classifications at any time.

Exempt. Exempt employees are paid on a salaried basis and are not eligible to receive overtime pay.

Nonexempt. Nonexempt employees are paid on an hourly basis and are eligible to receive overtime pay for overtime hours worked.

Full-Time Employee. Employees who are not in a temporary status and work a minimum of 40 hours weekly and maintain continuous employment status. Generally, these employees are eligible for the full-time benefits package and are subject to the terms, conditions, and limitations of each benefits program.

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Variable Hour Employee. An employee who works an average of thirty 30 hours a week in a 12-month measurement period (lookback). Such employees are eligible for medical benefits, subject to the premium cost sharing arrangement.

Part-Time/On-Call Employee. An employee placed on the employment rolls to work a varied schedule that fluctuates according to staffing needs in the facility. Part time on-call employees are only eligible for statutory benefits offered by SDCCC and are subject to the terms, conditions, and limitations of each benefits program.

Casual Employee. An employee as defined by the collective bargaining agreement with SEIU-USWW. Casual employees are only eligible for statutory benefits offered by SDCCC and are subject to the terms, conditions, and limitations of each benefits program.

Employment beyond any initially stated period does not in any way imply a change in employment status.

3. Meal and Rest Periods

3.1 Meal Periods

All nonexempt employees must take an uninterrupted, duty-free meal period of at least 30 minutes each day they work more than five hours. However, if you work a period of not more than six hours to complete your day's work, you may choose to waive the unpaid meal period with the written consent of your supervisor.

You must begin the meal period before you complete your fifth hour of work. For example, if you begin working at 8:30 a.m. you must start your meal period prior to 1:30 p.m. You should coordinate with your supervisor on meal break scheduling.

All nonexempt employees must take a second uninterrupted meal period of at least 30 minutes each day they work more than 10 hours. You must begin the second meal period before you complete your tenth hour of work.

Meal periods are unpaid and duty-free, so you should not perform any work during your meal period. You must record the actual times that you stop and start work to take a meal period. You are free to leave the office during your meal periods, but you must resume work promptly after your meal period ends.

If you feel that you were not provided the opportunity to take a full, uninterrupted, duty-free meal period as authorized and permitted under this policy, you should inform your supervisor immediately, and if not promptly resolved, notify People & Culture.

3.2 Rest Periods

All nonexempt employees are authorized, permitted, and strongly encouraged to take a 15-minute rest period every four (4) hours worked or major fraction thereof. At the San Diego Convention Center, this amounts to two 15-minute rest periods per eight-hour workday. Typically, assuming your lunch break is in the middle of the workday, the first rest period should be taken roughly in the middle of the work period prior to lunch, and the second rest period should be taken roughly in the middle of the work period following lunch. You should coordinate with your supervisor on rest break scheduling.

You do not need to record the times of these rest periods. You will be paid for the time spent on your rest periods. Rest periods should be fully off-duty, meaning you should not perform any work while taking your rest period. You are free to leave the office during your rest periods, but you must return and be ready to resume work promptly after your rest period ends. Rest periods may not be combined with meal periods and may not be skipped in order to leave work early.

If you feel that you were not provided the opportunity to take a full, uninterrupted, duty-free rest period as authorized and permitted by this policy, you should inform your supervisor immediately, and if not promptly resolved, notify People & Culture.

4. Attendance Policy

Employees are expected to be at work and to arrive to work on time. One of SDCCC's most valuable resources is its employees. For this resource to be utilized effectively, employees must be present to contribute their skills, experience, and work efforts. It is important that each employee realize the specific and valuable contribution they make, and accept responsibility for good attendance, in order to maximize that contribution. Still, we recognize that employees occasionally become ill, need to miss work, or will be late.

It is each employee's responsibility to be at work, to arrive at work on time, and to provide appropriate notification when the employee will be absent or tardy. Employees are discouraged from frequent, unexplained absences or tardiness as it reflects poorly on the employee's work record and may result in disciplinary action, including termination.

Any employee who fails to report to work for a period of three days or more without notifying their supervisor will be considered to have abandoned the job and voluntarily terminated the employment relationship.

For more information, please see the Standards of Conduct policy or ask People & Culture.

5. Confidentiality

The protection of confidential business information and trade secrets is vital to the interests and success of SDCCC. Confidential information is any and all information

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disclosed to or known by you because of employment with SDCCC that is not generally known to people outside SDCCC about its business.

Employees, as a condition of employment, will be required to sign and abide by a confidential information agreement. Employees who improperly use or disclose confidential business information will be subject to disciplinary action up to and including termination of employment and legal action, even if they do not actually benefit from the disclosed information.

This provision is not intended to, and should not be interpreted to, prohibit employees from discussing wages and other terms and conditions of employment if they so choose.

6. Conflicts of Interest

SDCCC expects all employees to conduct themselves and company business in a manner that reflects the highest standards of ethical conduct, and in accordance with all federal, state, and local laws and regulations. This includes avoiding real and potential conflicts of interests.

Determining exactly what constitutes a conflict of interest or an unethical business practice involves moral, legal, and reputational considerations. SDCCC recognizes and respects the individual employee's right to engage in activities outside of employment which are private in nature and do not in any way conflict with or reflect poorly on SDCCC.

It is not possible to define all the circumstances and relationships that might create a conflict of interest. If a situation arises where there is a potential conflict of interest, the employee should discuss this with your supervisor or People & Culture for advice and guidance on how to proceed.

The list below suggests some of the types of activity that indicate improper behavior, unacceptable personal integrity, or unacceptable ethics:

- Simultaneous employment by another organization that is a competitor of SDCCC.
- Holding a substantial interest in, or participating in the management of, a company to which SDCCC makes purchases.
- Borrowing money from customers or vendors, other than recognized loan institutions, from which SDCCC provides or buys services, materials, equipment, or supplies.
- Accepting substantial gifts or excessive entertainment from an outside organization or agency.
- Misusing privileged information or revealing confidential data to outsiders.
- Using one's position in SDCCC or knowledge of its affairs for personal gains.

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7. Information Security Acceptable Use Policy

SDCCC is committed to safeguarding its confidential information and its computer network. All employees who are provided with access to Company data and computer systems, including smart phones, ("IT Resources") are required to conduct themselves in a professional and responsible manner.

Employees are responsible to comply with the following:

- Employees are not permitted to download software (including shareware) on any SDCCC-owned computer or other device without IT approval.
- Employees must protect their IT Resources from theft.
- Employees may not use IT Resources for inappropriate purposes, such as to violate any SDCCC policy (for example, policies against workplace harassment or use of confidential and proprietary information), to violate any laws (for example, by infringing on another's copyright, patent, or other intellectual property right), or in a way that interferes with business productivity.
- Examples of prohibited uses of SDCCC-provided IT Resources include: accessing pornographic or sexually-oriented sites, internet sites or social media dedicated to violence or hatred, MP3 downloads and file sharing sites, audio and video streaming technologies that are non-job related, and soliciting over the internet for personal profit or gain.
- Employees must immediately report any suspected viruses, malware, or security breaches to IT.
- Employees must not use company-wide distribution lists without express permission from People & Culture (with the exception of emergencies).
- Employees are prohibited from using personal email accounts for SDCCC business.

8. No Expectation of Privacy in Company Property or Technology Resources

All Company property and systems are made available to employees to perform their jobs. Accordingly, employees should have no expectation that their use of SDCCC property is private, or that any items they bring onto or store on or in SDCCC property are private.

Specifically, desks, lockers, and any other SDCCC-owned equipment or work spaces may be searched at any time for any valid business purpose. Similarly, SDCCC-owned computers and mobile devices, storage devices, and SDCCC's computer network may be accessed by SDCCC at any time, without prior notice. In addition, personal devices may be searched to the extent that they are used for work purposes. For example, SDCCC may access work email, even if stored on a personal device. Likewise, information accessed on your personal device using SDCCC's network may be accessed by SDCCC at any time, without prior notice. Accordingly, even though you may be provided with or permitted to use a key or combination, or a password, SDCCC may still access its property and all information on its systems at any time, without prior

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notice. This may be done to monitor employees' work, expedite completion of a project, ensure that messages are being responded to, assist with an investigation, for legal proceedings, or for any other valid business reason.

9. Telecommuting

Telecommuting allows employees to work at home, on the road or in a satellite location for all or part of their workweek. SDCCC considers telecommuting to be a viable, flexible work option when both the employee and the job are suited to such an arrangement. Telecommuting may be appropriate for some employees and jobs but not for others. Telecommuting is not an entitlement, it is not a companywide benefit, and it in no way changes the terms and conditions of employment with SDCCC.

For more information, please see the Telecommuting policy or ask People & Culture.

10. Safety

Protecting the safety of our employees and visitors is vitally important.

All employees have the opportunity and responsibility to contribute to a safe work environment by using commonsense rules and safe practices and by notifying management when any health or safety issues are present. All employees are encouraged to partner with management to ensure maximum safety for all. Please refer to the Safety & Security policy for more specific information on safety.

In addition, employees must promptly report any injury – regardless of how minor – to People & Culture.

In compliance with California law and to promote the concept of a safe work place, SDCCC maintains an Injury and Illness Prevention Program. A copy of this program is maintained by SDCCC's Executive Director, People & Culture. For further information regarding this program, please contact SDCCC's Executive Director, People & Culture.

11. Workplace Violence Prevention

SDCCC is committed to providing a safe, violence-free workplace for our employees. Threats, threatening language, or any other acts of aggression or violence made toward or by any employee will not be tolerated. A threat may include any verbal or physical harassment or abuse, attempts to intimidate others, menacing gestures, stalking, or any other hostile, aggressive, and/or destructive actions taken for the purposes of intimidation. This policy covers any violent or potentially violent behavior that occurs in the workplace or at Company-sponsored functions.

In addition, employees are strictly prohibited from bringing any weapon of any kind to SDCCC's office.

All employees bear the responsibility of keeping our work environment free from violence or potential violence. Any employee who witnesses or is the recipient of violent

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behavior should promptly inform their supervisor or People & Culture. All threats will be promptly investigated. No employee will be subject to retaliation, intimidation, or discipline as a result of reporting a threat in good faith under this guideline.

Any individual engaging in violence against SDCCC, its employees, or its property will be prosecuted to the full extent of the law. All acts will be investigated, and the appropriate action will be taken. Any such act or threatening behavior may result in disciplinary action up to and including termination. Even actions or remarks intended to be humorous may violate this policy and be the subject of disciplinary measures, including immediate termination of employment.

12. Drug-Free Workplace

Our employees' health and well-being are important to us. In addition, the San Diego Convention Center Corporation ("Corporation") has a long-standing commitment to provide a safe and productive work environment. Alcohol and drug abuse poses a threat to the health and safety of employees and to the security of our equipment and facilities. For these reasons, the Corporation is committed to the elimination of drug and alcohol use and abuse in the workplace.

The Corporation is covered by the Federal Drug-Free Workplace Act and The California Drug-Free Workplace Act, and provides a drug-free workplace. As a covered employer, the Corporation must certify to the contracting government agencies that it will provide a drug-free workplace in connection with the performance of its government contracts. All employees will be given and will be required to sign an Employee Notification Statement. The Corporation will include drug-free awareness information in its programs and will comply with the requirements that the government be notified of any employee's workplace-related drug conviction.

This policy provides an overview of important practices and procedures designed to correct instances of identified alcohol and/or drug abuse in the workplace. This policy applies to all employees and all applicants for employment with the Corporation.

In connection with the Corporation's drug-free workplace compliance efforts, please note the following requirements.

- Employees must, as a condition of employment, report any conviction under a criminal drug statute for violations occurring on Corporation premises or while conducting Corporation business. A report of a conviction must be made to People & Culture Department within five days of the conviction. Within ten days of learning about an employee's conviction, the Corporation must notify any governmental agency with which it contracts or subcontracts of the employee's criminal drug statute conviction.
- Within 30 days of the date the Corporation learns of an employee's conviction, the employee will be disciplined, up to and including termination. Any employee not

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terminated will be required to satisfactorily participate and complete a drug abuse assistance or rehabilitation program.

- Each employee, as a condition of employment, shall sign an Employee Notification Statement which sets forth the requirements of the Drug-Free Workplace Act.

The Corporation will make ongoing good-faith efforts to maintain a drug-free workplace by implementing the above requirements. Any questions regarding our drug-free workplace compliance efforts should be directed to the People & Culture Department.

Alcohol

Except for approved functions and activities, all employees are prohibited from consuming or possessing alcoholic beverages during working hours, while on SDCCC property, and/or in SDCCC uniform. Working hours is defined as all compensated work time including breaks, but not including uncompensated lunch hours or time before and after the scheduled work day. However, as stated below, employees should not report to work under the influence of alcohol. Therefore, consuming alcohol at any time during their work shift, including compensated breaks and uncompensated meal periods, is prohibited. Employees will be considered under the influence if tests reveal any perceptible trace of alcohol.

All employees are prohibited from consuming alcoholic beverages at any time if the use of alcohol has or could have a detrimental effect on job performance or the ability to operate company equipment. All employees are prohibited from reporting to work or working while under the influence of alcohol. Employees who are suspected of being under the influence will be removed from work and tested.

In order to maintain safety and compliance with local laws, employees must use good judgment and act responsibly. Please note that employees are never required to drink alcohol. Employees using tools, operating machinery, or driving on SDCCC business are strictly prohibited from consuming any product before or during their shift. If you violate these guidelines, you may be subject to disciplinary action up to and including termination.

Controlled Substances

The unlawful use, sale, negotiation for the sale of or the possession of drugs, drug paraphernalia or controlled substances by Corporation employees during working hours, on Corporation property, in Corporation vehicle or in Corporation uniform is prohibited and will result in termination of employment.

The lawful use or possession of medication or controlled substances, prescribed by a licensed physician or the use or possession of a non-prescription medication is not prohibited. An employee whose job performance may be affected by such use, must advise their supervisor. Failure to advise your supervisor may result in discipline for poor performance or misconduct.

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Required Testing

The Corporation complies with all federal, state and local testing laws and regulations. The company retains the right to require the following tests:

1. Pre-Employment: Candidates who have received a written offer may be required to undergo testing for alcohol and drug screening.

2. Reasonable Suspicion: Reasonable Suspicion is defined as a belief based on objective facts sufficient to lead reasonable prudent person to suspect that an employee is under the influence of a substance. Reasonable suspicion may result from an actual observation of the use of substance by an employee; an employee's involvement in an on-the-job accident; an employee's excessive absence or tardiness; possession of alcohol/drugs in violation of this policy; reliable information that the employee is currently or has recently used a controlled substance or alcohol. Employees are subject to testing based on (but not limited to) observations of apparent workplace use, possession, or impairment. Management must use the *Reasonable Suspicion Observation Form* to document specific observations and behaviors that create a reasonable suspicion that an employee is under the influence of illegal drugs or alcohol before sending an employee for testing. Examples include, but are not limited to:

- Odors (smell of alcohol, body odor or urine, inattention to personal hygiene)
- Movements (unsteady, fidgety, dizzy)
- Eyes (dilated pupils, constricted or watery eyes, or involuntary eye movements)
- Face (flushed, sweating, confused or blank look)
- Speech (slurred, slow, distracted mid-thought, inability to verbalize thoughts)
- Emotions (argumentative, agitated, irritable, drowsy, severe mood swings, unexplained personality change)
- Actions (yawning, twitching)
- Inactions (sleeping, unconscious, no reaction to questions)

When reasonable suspicion testing is warranted, Management will meet with the employee to explain the observations and the requirement to undergo a drug and/or alcohol test within two hours. Refusal by an employee will be treated as a positive drug test result and will subject the employee to termination.

Under no circumstances will the employee be allowed to drive themselves to the testing facility. Transportation will be provided for the employee to go the testing site or will be arranged for the employee to be transported home.

3. Employee Accident – Employees involved in on-the-job accidents which results in personal injury while using power tools, operating a vehicle or equipment

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requiring medical treatment; injury to another individual due to an employee's actions requiring medical treatment; or property damage where the employee has violated safety policies, rules, or regulations, shall be required to undergo a compulsory medical examination including drug and alcohol screening.

Any employees required to take a mandatory drug test will also be required to authorize in writing the disclosure of the results of such test under this policy. Failure to do so may result in disciplinary action up to and including discharge. Refusal to immediately submit to an alcohol and/or drug test by San Diego Convention Center Corporation management or law enforcement personnel, will constitute insubordination and may result in termination.

Any employees found to be under the influence of alcohol or controlled substances i will result in termination of employment.

Maximum feasible confidentiality will be maintained during all alcohol and drug testing procedures. The results of all alcohol and drug testing will be disclosed on a need-to-know basis.

13. Smoke-Free Workplace

It is SDCCC policy to provide a smoke-free work environment. The prohibition on smoking includes e-cigarettes and vape pens.

14. Standards of Conduct

We are committed to being a great organization and are proud of the integrity, respect, efficiency, and good citizenship of our employees. Maintaining our good name depends upon continuance of these high standards of conduct by all employees.

- Every employee is expected to comply with all federal and state laws and regulations affecting SDCCC. As well, SDCCC expects that employees observe the highest standard of integrity in all dealings with clients, customers, financial information, fellow employees, other companies, governments, and the general public.
- Effective work habits require fundamental honesty with time as well as property. It means doing a fair day's work for a fair day's pay: arriving on time, keeping absences to a minimum, restricting personal telephone calls, and staying with the work at hand.
- SDCCC materials, vehicles, equipment, tools, property, and employee time are to be used solely for purposes related directly to SDCCC operations. Exceptions are not permitted without the authorization of an employee's manager.
- Since it is not possible to list all the forms of behaviors that are considered unacceptable in the workplace, the following are examples of infractions of rules

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of conduct that may result in disciplinary action, up to and including termination of employment:

- Theft or inappropriate removal or possession of stolen property
- Falsification of timekeeping records; violation of personnel policies
- Working under the influence of alcohol or illegal drugs
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty, or while operating employer-owned vehicles or equipment
- Possession of explosives or firearms in the workplace
- Fighting or threatening violence in the workplace
- Boisterous or disruptive activity in the workplace
- Negligence or improper conduct leading to damage of employer-owned or customer-owned property; unauthorized disclosure of business “secrets” or confidential information
- Rude or other disrespectful conduct that violates SDCCC policy of treating everyone with respect and civility
- Violation of safety or health rules; sexual or other unlawful harassment

15. Progressive Discipline

Employees are expected to observe all policies and procedures and accept personal responsibility for maintaining high standards of conduct and performance at all times. Disciplinary action may be taken when these expectations are not met. SDCCC may use progressive discipline in the form of verbal warnings, written warnings, final written warnings, suspensions, and termination. SDCCC reserves the right to forego progressive discipline as it deems appropriate given the facts and circumstances. Nothing in this policy is intended to alter the at-will nature of your employment with SDCCC. For more information, please see People & Culture.

Employee Compensation

1. Pay for All Hours Worked

All nonexempt employees are required to complete accurate weekly time reports showing all time actually worked. This means they must clock in and out whenever they begin, cease, or resume working during the course of a workday. While you need not clock out and in during your rest periods, you must clock out and in during your meal periods. These records are required by governmental regulations and are used to calculate regular and overtime pay. Employees should regularly review their time sheets in UKG Time & Attendance to ensure all hours worked are accurately recorded. If you find an error, you must report it immediately to your supervisor and to payroll.

Nonexempt employees are strictly prohibited from working “off the clock” or failing to record all time worked. If you are ever asked to work “off the clock” or you feel pressured to do so, you should immediately report the situation to People & Culture or

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the President & CEO. Falsification of any timecard may result in disciplinary action, up to and including termination.

2. Overtime

When required due to the needs of the business, you may be asked to work overtime. Overtime is paid in accordance with state and federal law. Paid leave, such as holiday, paid sick leave, and paid vacation leave does not apply toward work time.

Nonexempt employees are entitled to overtime as follows:

- One and a half times the regular rate for hours worked beyond eight hours up to 12 hours in a workday;
- One and a half times the regular rate for hours worked beyond 40 hours in a workweek;
- Double time for hours worked beyond 12 hours in a workday;
- One and one half times the regular rate for the first eight hours worked on the seventh consecutive workday in a workweek;
- Double time for all hours worked beyond eight on the seventh day of work in a workweek.

All overtime work must be approved in advance by a supervisor. Unapproved overtime violates SDCCC policy and can lead to disciplinary action.

Nonexempt employees are discouraged from using voicemail, email, and other electronic work tools outside of regular working hours, because work done may be considered work time or overtime. If a nonexempt employee uses these work tools in non-work time, the time spent must be recorded on their time card. As with overtime in the office, unapproved use of voicemail, etc., outside of normal work time violates SDCCC policy and can lead to disciplinary action.

Nonexempt employees must record all hours worked. Working “off the clock” is never permitted. If you are ever asked to work “off the clock” or you feel pressured to do so, you should immediately report the situation to People & Culture or the President & CEO. Falsification of any timecard may result in disciplinary action, up to and including termination.

3. Workweek and Hours of Work

For the purposes of calculating overtime, the San Diego Convention Center Corporation operates on a twenty-four (24) hour, seven (7) days per week basis. Our work schedule consists of five (5) days of eight (8) hours in a seven (7) day period. The Corporation’s workweek begins on Saturday and ends on Friday. Normal office hours are from 8 a.m. to 5 p.m. Monday through Friday with a one hour unpaid lunch break. Non-office workers may be assigned different work schedules depending on their job.

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4. Paydays

Employees are paid biweekly, with paydays on every other Friday. If payday falls on a federal holiday, employees will receive their paycheck on the preceding workday.

Wage statements are provided to you each pay period. All employees are responsible to ensure that their paychecks are accurate. Employees who discover a mistake in their paycheck, should notify management immediately. In the case of a mistake, the error will be remedied promptly.

5. Business Expense Reimbursement

SDCCC reimburses necessarily incurred business expenses. Employees should have advance approval from their supervisor before incurring business expenses. When submitting expenses for reimbursement, the employee must provide original receipts as well as an itemized listing of the business purpose of the expenses.

Employees who drive personal vehicles for business purposes will be reimbursed at the standard IRS mileage rate. To request reimbursement, employees must complete a expense report form and list the business purpose of the travel. Please note that an employee's ordinary commute to and from the office is not a "business expense." Employees who drive for business purposes are expected to maintain adequate insurance for their personal vehicles.

Employees are generally not permitted to use personal cell phones for business purposes. However, in the event of emergency use of an employee's personal cell phone for business purposes, the employee must promptly inform People & Culture so that SDCCC may reimburse such use. Positions requiring regular useFor more information, please see People & Culture.

Benefits

1. Holidays

SDCCC observes the following paid holidays:

- New Year's Day
- Martin Luther King, Jr. Day
- President's Day
- Cesar Chavez Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas

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Holidays as are approved by the Board of Directors

If one of these holidays falls on a Sunday, it will be observed on the following Monday. If the holiday falls on a Saturday, SDCCC will select either the following Monday or the preceding Friday as a substitute holiday.

Full-time employees are eligible for holiday pay. Part-time, casual, and temporary employees are not eligible for holiday pay, unless otherwise provided for in a Collective Bargaining Agreement. Holiday pay shall be at the employee's regular straight-time rate times the employee's regularly scheduled hours (not to exceed 8 hours). Employees on an unpaid leave of absence are not eligible for holiday pay.

If you are a nonexempt, full-time employee and you are required to work on a SDCCC-observed holiday, you will be paid eight hours for the holiday and in addition, you will be paid for the actual hours worked. Represented, nonexempt part-time employees refer to your Collective Bargaining Agreement for designated holidays and holiday pay.

2. Annual Leave

Annual leave is compensated time off for eligible employees who are absent from work because of illness, injury, medical or dental care appointments, personal business, or personal vacation. In compliance with the Healthy Workplaces, Healthy Families Act of 2014 and the San Diego Sick Leave and Minimum Wage Ordinance, employees may use annual leave for the purposes set forth in Labor Code section 246.5 including, but not limited to, their own treatment or preventive care or for specified purposes if the employee is a victim of domestic violence, sexual assault or stalking. Employees may also use annual leave for the diagnosis, care, or treatment of an existing health condition of, or preventive care for, the employee's family member.

SDCCC encourages all staff to use their accrued annual leave for rest and relaxation. SDCCC recognizes that employees may risk reaching the maximum accrual before they can take time off. With this in mind, SDCCC has implemented voluntary uses for annual leave other than time off. These alternatives include compensation in lieu of annual leave, compassionate donation, and deferred retirement contribution. In order to use one of the alternative choices, the employee must meet certain criteria. Please see People & Culture for more information.

If an employee elects to use annual leave for reasons other than for time off, employee's annual leave may not fall below 40 hours. Before an employee can elect to use annual leave for reasons other than for time off a second time in a fiscal year the employee must have used at least 80 hours PTO, as time off, in a rolling 12-month period. Time off need not be consecutive days. Voluntary uses for annual leave include compensation in lieu of annual leave, defer compensation to a retirement program or make a compassionate donation in lieu of annual leave. Unless otherwise specified within this policy, each voluntary alternative for annual leave may not be elected more than two times in a fiscal year.

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2.1 Accrual and Use / Full-Time Employees

Length of Service	Accrual Per Bi-Weekly Pay Period	Annualized (Estimated)
0 months to 4 years	6.462 hours	21 days
5 years to 9 years	7.077 hours	23 days
10 years to 14 years	8.000 hours	26 days
15 years to 19 years	8.923 hours	29 days
More than 20 years	10.154 hours	33 days

Length of service will be measured and adjusted in the pay period of the employee's anniversary date.

Annual leave may be accumulated up to a maximum of 480 hours. Any employee who reaches the maximum accrual cap will cease to accrue annual leave until the accumulated hours drop to less than the maximum. Separated employees will be paid for all accrued but unused annual leave.

Annual leave does not accrue during unpaid leaves of absence.

2.2 Accrual and Use / Part-Time Employees

Part time employees accrue annual leave with pay at the rate of .04 hours for every hour worked, up to a maximum of 80 hours.

In accordance with collective bargaining agreements ("CBA"), any accrued annual leave for part-time union employees as of June 30 of each year shall be paid out to the employee, unless otherwise specified in the CBA. Such payment of accrued annual leave shall be made by August 1. Although accrued and unused annual leave as of June 30 of each year is paid out, accrual of annual leave continues as appropriate in relation to hours worked.

All non-represented part-time employees as of June 30 of each year shall be paid out to the employee any accrued/unused annual leave above 40 hours. Such payment of accrued annual leave shall be made by August 1. Although accrued and unused annual leave above 40 hours as of June 30 of each year is paid out, accrual of annual leave continues as appropriate in relation to hours worked.

Upon separation from SDCCC, part time employees will be paid for all accrued but unused annual leave.

Employees may schedule vacation during any month of the year, although, whenever possible, employees are expected to request approval from their supervisor thirty days in advance of the requested vacation dates.

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Vacation will be paid, using annual leave, at the employee's regular rate of pay at the time it is taken. For employees eligible for holiday pay, when a holiday is observed on a regularly scheduled work day and coincides with an employee's scheduled vacation, the day will be paid as a holiday and not be considered a vacation day.

Nonexempt employees may use vacation time in minimum increments of one hour. Exempt employees may use vacation in minimum increments of four hours.

Employees will be paid for any accrued but unused vacation upon termination of employment in accordance with applicable law.

Annual leave does not accrue during unpaid leaves of absence.

2.3 Annual Leave Time-off Requests

Annual leave requests of five (5) or more days must be approved by the supervisor at least two (2) weeks in advance, except in emergency situations. When the need for annual leave is foreseeable and advance notice is possible, unless otherwise directed, employees are required to complete the appropriate Leave Request Form (e.g. Annual Leave) available on-line in UKG Time & Attendance (UTA) to request annual leave. Where the need for annual leave is unforeseeable, employees shall provide notice of the need for the leave as soon as practicable.

Annual leave may be used, if the employee chooses, to supplement State Disability Insurance and temporary disability payments granted under the provisions of the Workers Compensation Act. However, employees shall not receive compensation in excess of their regular pay for the period of disability.

Employees who wish to supplement State Disability Insurance with annual leave should submit such request to People & Culture prior to applying for State Disability (before beginning their medical leave).

Annual leave abuse may result in appropriate disciplinary action in accordance with SDCCC's personnel policies.

SDCCC's annual leave policy satisfies the requirements of California's Paid Sick Leave law, as well as the local San Diego ordinance. SDCCC prohibits retaliation against employees for their use of paid sick leave. If you have any questions, please contact People & Culture.

3. Group Benefits

SDCCC recognizes the value of benefits to employees and their families. SDCCC supports employees by offering a comprehensive and competitive benefits program. You may be eligible for the following group benefits:

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- Medical Coverage
- Dental Coverage
- Vision Coverage
- Flexible Spending Accounts
- Long-term Disability Insurance
- Basic Life Insurance
- Deferred Compensation Plan
- Retirement Plan
- Employee Assistance Program

For more information regarding benefit programs, please refer to the Summary Plan Descriptions (SPD) in the workforce portal landing page. There is no guarantee that SDCCC will continue to maintain benefits except as required by law or that the terms and conditions of any such plan will not be changed at any time.

4. Workers' Compensation

Workers' compensation is a "no-fault" system that provides compensation for medical expenses and wage losses to employees who are injured or who become ill because of employment.

SDCCC pays the entire cost of workers' compensation insurance. The insurance provides coverage for related medical and rehabilitation expenses and a portion of lost wages to employees who sustain an injury on the job. SDCCC abides by all applicable state workers' compensation laws and regulations.

If an employee sustains a job-related injury or illness, it is important to notify the supervisor and People & Culture immediately. The supervisor will complete an injury report with input from the employee and return the form to the workers' compensation administrator, who will file the claim with the insurance company. In cases of true medical emergencies, report to the nearest emergency room.

Workers' compensation benefits (paid or unpaid) will run concurrently with any other statutorily-required leave, if applicable, where permitted by state and federal law. In addition, employees will not be paid annual leave for approved absences covered by SDCCC's workers' compensation program, except to supplement the workers' compensation benefits such as when the plan only covers a portion of the employee's salary as allowed by state law.

5. Employee Assistance Program

The Employee Assistance Program (EAP) is a resource designed to provide highly confidential and experienced help for employees in dealing with issues that affect their lives and the quality of their job performance. SDCCC wants employees to be able to maintain a healthy balance of work and family that allows them to enjoy life. The EAP is a confidential counseling and referral service that can help employees successfully deal with life's challenges.

This free, comprehensive counseling service offers employees three face-to-face sessions per incident per six months, and a 24-hour hotline answered by professional, degreed counselors. EAP services also include assistance with legal services, financial support, childcare, eldercare, identity theft, family problems, bereavement, substance abuse, and educational materials.

SDCCC encourages employees to use this valuable service whenever they have such a need. Employees who choose to use these counseling services are assured the information disclosed in their sessions is confidential and not available to SDCCC, nor is SDCCC given any information on who chooses to use the services. For questions or additional information about this program, you may contact People & Culture.

6. Wage Replacement Options for Family and Medical Leave

6.1 State Disability Insurance

Employees are covered by state disability insurance ("SDI") in the State of California. SDI benefits are available to eligible employees for non-work-related accidents or illness. This insurance provides low cost disability protection if an illness or injury occurs, which is not caused by the job, and prevents you from working. You are responsible for filing a claim with the California Employment Development Department ("EDD") if you wish to obtain SDI benefits.

If you also wish to take a leave of absence, you must follow the leave request procedures in the applicable leave of absence policy. The two procedures are independent of one another.

6.2 Paid Family Leave Benefits

Paid family leave (“PFL”) is California’s state-sponsored insurance program within the SDI program and is funded through mandatory employee contributions. It provides eligible California employees with partial wage replacement for up to eight weeks in a 12-month period while absent from work to: (1) care for a seriously ill or injured child, spouse, parent, domestic partner grandparent, grandchild, sibling or parent-in-law; or (2) for bonding with a new child within one year of the birth or placement of the child in connection with adoption or foster care. In accordance with applicable law, an employee may also use annual leave to care for a family member. You are responsible for filing a claim with the California EDD if you wish to obtain PFL benefits.

If you also wish to take a leave of absence, you must follow the leave request procedures in the applicable leave of absence policy. The two procedures are independent of one another.

Leaves of Absence

SDCCC understands that occasionally the need may arise for a leave of absence. SDCCC provides a variety of types of leave, in accordance with federal, state, and local laws and Company policy.

This handbook provides only a brief overview of some of the leaves available to eligible employees. You may be entitled to leaves not highlighted in this brief overview. SDCCC complies with all applicable laws regarding leaves of absences. Please see People & Culture for more information.

Each leave of absence has specific eligibility rules and terms and conditions. You may initiate a leave request by contacting People & Culture. Your request must be submitted in writing. You must also provide any supporting documentation required for the particular type of leave you wish to take. Leaves of absence are approved for specific periods. Employees are responsible for keeping SDCCC informed of their status, including notifying SDCCC of any request to extend the leave before it expires, and of the need for any accommodations upon returning to work. Employees who do not return to work at the end of the specified leave period, and have not obtained an extension of their leave, will be subject to termination of employment.

Please note that employees are protected from retaliation for exercising their rights to leaves of absence available under state and local laws.

1. Pregnancy Disability Leave

SDCCC provides pregnancy disability leaves of absence without pay to employees who are temporarily unable to work due to a disability related to pregnancy, childbirth, or related medical conditions.

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Employees should make requests for pregnancy disability leave to their supervisor at least 30 days in advance of foreseeable events and as soon as possible for unforeseeable events. A health care provider's statement must be submitted, verifying the need for such leave and its beginning and expected ending dates. Any changes in this information should be promptly reported to SDCCC. Employees returning from pregnancy disability leave must submit a health care provider's return-to-work release.

SDCCC will make a good faith effort to provide reasonable accommodations and/or transfer requests when such a request is medically advisable based on the certification of a health care provider. When an employee's health care provider finds it is medically advisable for an employee to take intermittent leave or leave on a reduced work schedule and such leave is foreseeable based on planned medical treatment because of pregnancy, SDCCC may require the employee to transfer temporarily to an available alternative position. This alternative position will have equivalent rate of pay and benefits and must better accommodate recurring periods of leave than the employee's regular job.

Eligible employees are normally granted unpaid leave for the period of disability, up to a maximum of four months (or 17 1/3 weeks) per pregnancy. An employee's entitlement to pregnancy disability leave runs concurrently with federal Family and Medical Leave Act ("FMLA") entitlements, but is separate and distinct from her entitlement to leave under the California Family Rights Act ("CFRA"), if eligible for CFRA leave.

Employees will be required to use any accrued paid sick time during any unpaid portion of pregnancy disability leave. If an employee is receiving benefit payments pursuant to a disability insurance plan (such as California's State Disability Insurance plan or Paid Family Leave program), the employee and SDCCC may mutually agree to supplement such benefit payments with available paid sick leave.

Benefit accrual, such as annual leave, will be suspended during the approved pregnancy disability leave period and will resume upon return to active employment. Group health benefits will be maintained during the approved pregnancy disability leave as if you were continuously employed. However, you must continue to pay your share of applicable premiums (for yourself and any dependents) during the leave.

So that an employee's return to work can be properly scheduled, an employee on pregnancy disability leave is requested to provide SDCCC with at least one week's advance notice of the date she intends to return to work.

When an approved pregnancy disability leave ends, the employee will be reinstated to the same position, unless the job ceased to exist because of a mass layoff or other legitimate business reasons. An employee has no greater right to reinstatement to the same position or to other benefits and conditions of employment than if she had been continuously employed in this position during the pregnancy disability leave or transfer. If you have any questions regarding pregnancy disability leave, please contact People & Culture.

2. Family & Medical Leave

SDCCC provides eligible employees with Family and Medical Leave Act (“FMLA”) and California Family Rights Act (“CFRA”) leave, which provide eligible employees the opportunity to take unpaid leave for specified purposes. The maximum amount of leave an employee may use under this policy is 12 weeks within a 12-month period (or up to 26 workweeks for Military Caregiver purposes). CFRA will be provided in addition to any entitlement of pregnancy disability leave (“PDL”) due to an employee's own pregnancy-related disability.

To be eligible for FMLA/CFRA leave under this policy, an employee must:

- Have worked at least 12 months for SDCCC in the preceding seven years.
- Have worked at least 1,250 hours for SDCCC over the 12 months preceding the date the leave would commence.

FMLA/CFRA leave may be taken for any the following reasons:

- To bond with a newly born child.
- To bond with a child placed with the employee for adoption or foster care.
- To care for the employee's spouse, registered domestic partner, child (of any age), child of registered domestic partner, parent, parent-in-law, grandparent, grandchild, or sibling with a “serious health condition.”
- The “serious health condition” of the employee.
- To care for a spouse, parent, child or next-of-kin who is a “covered service member” recovering from a serious injury or illness sustained in the line of active military duty or as otherwise permitted by FMLA. This reason for leave is referred to as “Military Caregiver.”
- Because of a “qualifying exigency” (as defined under the FMLA) arising out of the fact that the employee's spouse, child, or parent who is either a member of the Armed Forces, including the National Guard or Reserves, or a retired member of the Regular Armed Forces or retired Reserves, is on active duty (or has been notified of an impending call or order to active duty) in support of a contingency operation (“Military Exigency Leave”).

If leave is taken for a serious health condition, the leave may be taken either in a block, or if medically necessary, on an intermittent or reduced schedule basis. Employees using intermittent leave for planned medical treatments must make a reasonable effort to schedule the treatments around the requirements of the job. In most situations, an employee will continue in their regular job. However, in certain circumstances, at SDCCC's discretion, employees may be temporarily assigned to an alternative position in order to better accommodate the reoccurring periods of leave. Employees will receive equivalent pay and benefits as they would have received in their regular job while in the temporary position.

Child bonding leave must be concluded within 12 months of the child's birth, adoption or foster care placement. Eligible employees may take CFRA leave in at least two-week increments, with shorter increments allowed on two occasions.

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Employees who require intermittent or reduced-schedule leave must try to schedule their leave so that it will not unduly disrupt SDCCC's operations. Intermittent leave is permitted in intervals of at least one hour.

An employee seeking a leave for one's own serious health condition must provide SDCCC with a medical certification from their health care provider establishing eligibility for the leave, and must provide SDCCC with a release to return to work from the health care provider before returning to work. Appropriate forms may be obtained from People & Culture.

Employees requesting family and medical leave to care for a family member or for Military Caregiver purposes must include a statement that the employee is needed to care for the member and an estimate of the amount of time that such employee is needed to provide care.

Medical certifications must be provided within 15 days of being requested. If the medical certification is not provided within 15 days of the first request, the leave may be delayed or denied.

SDCCC may require, or the employee may choose to use accrued paid leave (such as annual leave) concurrently with some or all of their FMLA/CFRA leave. Employees may also apply for California's Short-term Disability Insurance ("SDI") or Paid Family Leave ("PFL") insurance benefits through the California Employment Development Department ("EDD").

If employees and/or their families participate in SDCCC's group health plan, SDCCC will maintain coverage during FMLA/CFRA leave on the same terms as if an employee had continued to work. If applicable, an employee must make arrangements to pay their share of health plan premiums while on leave. Failure to do so may result in company-sponsored benefits being discontinued. In some instances, SDCCC may recover premiums it paid to maintain health coverage or other benefits for the employee and/or their family.

Use of FMLA/CFRA leave will not result in the loss of any employment benefit that accrued prior to the start of leave under this policy. Employees should consult the applicable plan document for information regarding eligibility, coverage and benefits.

SDCCC will provide eligible employees with a notice that specifies any additional information required as well as the employee's rights and responsibilities. SDCCC will also inform employees if leave will be designated as FMLA/CFRA -protected and, to the extent possible, note the amount of leave counted against the employee's leave entitlement. A notice of guarantee of employment and reinstatement to the same or a comparable position will be provided. If an employee is not eligible for FMLA/CFRA leave, SDCCC will provide a reason for the ineligibility.

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Upon returning from FMLA/CFRA leave, an employee will typically be restored to their original position or to a comparable position with equivalent pay, benefits and other employment terms and conditions.

If an employee fails to return to work as scheduled after FMLA/CFRA leave or if an employee exceeds the 12-week leave entitlement, the employee will be subject to SDCCC's other applicable leave of absence, accommodation and attendance policies. This may result in termination if the employee has no other leave available to her or him that applies to the continued absence. Likewise, following the conclusion of FMLA/CFRA leave, SDCCC's obligation to maintain the employee's group health plan benefits ends (subject to any applicable COBRA rights).

3. Medical Leave

SDCCC may grant an unpaid discretionary leave of absence to employees in certain circumstances, for example when an employee is temporarily unable to work due to a mental or physical disability, certified in writing by their health care provider. Approved absences of less than two weeks are not treated as medical leaves of absences but rather as excused absences without pay. Employees granted unpaid medical leave have no right to guaranteed reinstatement. Upon return from a medical leave, employees will be required to provide a return-to-work release signed by their health care provider.

Benefit accrual, such as annual leave and holiday benefits, will be suspended during an unpaid medical leave period and will resume upon return to active employment. Unless otherwise required by law, SDCCC does not continue to pay premiums for health insurance coverage for employees on unpaid medical leave. However, if eligible, you may self-pay the premiums under the provisions of COBRA.

4. Military and Military Spousal Leaves

SDCCC supports the military obligations of all employees and grants leaves for uniformed service in accordance with applicable federal and state laws. Any employee who needs time off for uniformed service should immediately notify People & Culture and their supervisor, who will provide details regarding the leave. If an employee is unable to provide notice before leaving for uniformed service, a family member should notify the supervisor as soon as possible.

Upon return from military leave, employees will be granted the same seniority, pay, and benefits as if they had worked continuously. Failure to report for work within the prescribed time after completion of military service will be considered a voluntary termination.

In addition, qualified employees are eligible for up to 10 days of unpaid leave when their spouse or registered domestic partner is on leave from military deployment. A qualified employee is one who regularly works more than 20 hours per week and whose spouse or registered domestic partner is a member of the Armed Forces, National Guard, or Reserves and is on leave from deployment during a period of military conflict.

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If you are eligible for such leave, please submit a written request for leave to People & Culture within two business days of receiving official notice that your spouse or domestic partner will be on leave from deployment. You will also be required to provide written documentation certifying that your spouse or registered domestic partner will be on leave from deployment.

5. Bereavement Leave

Full-time employees may take up to four days and part-time employees may take up to two days of paid bereavement leave upon the death of a member of the employee's spouse/domestic partner, parent, child, siblings, grandparents, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, step-children, step-parents, step-siblings, grandchild, or the employee's "significant other" if designated in advance with People & Culture.

SDCCC may require verification of the need for the leave. The employee's supervisor and People & Culture will consider this time off on a case-by-case basis. Payment for bereavement leave is computed at the regular hourly rate to a maximum of eight hours for one day. Time off granted in accordance with this policy shall not be credited as time worked for the purpose of computing overtime.

6. Civic Duty

Employees are permitted to take time off for jury duty or to appear as a witness when subpoenaed. Employees who receive a notice of jury/witness duty must notify their supervisor as soon as possible so that arrangements may be made to cover the absence. In addition, employees must provide a copy of the official jury/witness duty notice to their supervisor. Employees must report for work whenever the court schedule permits.

Full time employees will receive your usual rate of pay for scheduled hours while on jury duty for up to two weeks. Part time employees will be paid their normal rate of pay for scheduled hours while on jury duty for up to two weeks. Otherwise the leave is unpaid. Exempt employees will receive their regular salary unless they do not work any hours during the workweek.

7. Child-Related Activities Leave

If an employee is a parent, stepparent, foster parent, guardian, or grandparent having custody of one or more children, or stands in loco parentis to a child, who is within a licensed child care provider or attends school in grades K through 12, the employee may take off up to 40 hours (unpaid) each calendar year to participate in the following child-related activities: to find, enroll, or re-enroll a child in school or with a licensed child care provider; to participate in activities of the school or licensed child care provider; to address a school or child care provider emergency; or to appear at a school in connection with the suspension or behavioral problems of their child.

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Except in a school or child care provider emergency, school participation time off may not exceed eight hours in any calendar month, and the employee must give reasonable notice of absence to their manager prior to taking time off. Employees may also be requested to provide documentation from the school verifying participation in school activities.

8. Leave for Domestic Violence, Sexual Assault, and Stalking Victims

If you are a victim of domestic violence, sexual assault, stalking, or similar crime, you may take unpaid time off to help ensure the health, safety, or welfare of you and/or that of your child. Specifically, you may take such leave for the following reasons:

- To obtain a temporary or permanent restraining order or other court assistance;
- To seek medical attention for injuries caused by domestic violence, sexual assault, stalking, or similar crime;
- To obtain services from a shelter, program, or rape crisis center as a result of domestic violence, sexual assault, stalking, or similar crime;
- To obtain psychological counseling related to an experience of domestic violence, sexual assault, stalking, or similar crime; or
- To participate in safety planning and take other actions to increase safety from future domestic violence, sexual assault, stalking, or similar crime, including temporary or permanent relocation.

If you need to take time off for any of the above reasons, you should notify your supervisor in advance, if possible. If your absence is unscheduled, you may be asked to provide documentation, such as a police report, court order, or other evidence that you appeared in court, documentation from a counselor or domestic violence advocate, or a self-attestation form. Although this leave is unpaid, you may use your accrued paid sick leave if you wish to receive compensation for this time off.

SDCCC does not tolerate any acts of discrimination, harassment, or retaliation against employees who are victims of domestic violence, sexual assault, stalking, or similar crimes. If you believe you have been the victim of any such act, please contact your supervisor, People & Culture, or SDCCC President & CEO, as appropriate. SDCCC will maintain the confidentiality of requests for time off due to domestic violence, sexual assault, or stalking to the extent possible and as allowed by law.

9. Crime Victims Leave

If you are the victim—or an immediate family member (i.e., spouse, registered domestic partner, child, step-child, sibling, step-sibling, parent, step-parent, or the child of a registered domestic partner) of the victim—of a violent felony, serious felony (as defined by the California Penal Code), or felonies related to theft or embezzlement, you are permitted to be absent from work to attend judicial proceedings related to the crime. You must provide your supervisor with written notification for each scheduled proceeding, unless advance notice is not possible. This time off is unpaid.

10. Alcohol and Drug Rehabilitation Leave

SDCCC will reasonably accommodate any eligible employee who wishes to voluntarily enter and participate in an alcohol or drug rehabilitation program, provided that the accommodation does not impose an undue hardship on SDCCC. Time off will be unpaid. This policy in no way restricts SDCCC's right to discipline an employee, up to and including termination of employment, for misconduct on the job.

11. Time Off for Voting

SDCCC recognizes that voting is a right and privilege of being a citizen of the United States and encourages employees to exercise their right to vote. In almost all cases, you will have sufficient time outside working hours to vote. If for any reason you think this won't be the case, contact your supervisor to discuss scheduling accommodations.

12. Time Off for Adult Literacy Programs

SDCCC will make reasonable accommodations for any employee who reveals a literacy problem and requests that the Corporation assist him or her in enrolling in an adult literacy program, unless undue hardship to the Corporation would result. SDCCC will take reasonable steps to safeguard the privacy of any employee who identifies himself or herself as an individual with a literacy problem. An employee who wishes to identify himself or herself as such an individual can contact the People & Culture Department directly.

For more information on leaves, please see the Leaves / Time Off policies or ask People & Culture.

All SDCCC employment policies are available at any time in the **Company Policies** section on the UKG Pro Homepage. Copies of policies may be printed from UKG Pro or are available through People & Culture.

13. Benefits During Leave of Absence

This table summarizes the various leaves of absence, state wage replacement benefits and health insurance benefit eligibility allowed under each type of leave. If an employee exhausts their available protected leave time, their health insurance benefits will cease and they will be provided the option of continuing their coverage under COBRA and paying the corresponding premiums.

Agenda Item 3.C

Leave of Absence Type	Is Leave Legally Required?	State Wage Replacement Benefits Available (if eligible)?	Health Benefits Continued as if Actively Employed?	How Can Vacation/Sick/Paid Time Off Be Used During Leave?
Pregnancy Disability Leave (PDL) (maximum of 17 1/3 weeks per pregnancy; up to 12 weeks will run concurrently with leave under the Family Medical Leave Act (FMLA))	Yes	State Disability Insurance (SDI) benefits	Yes	May require use of sick leave. ¹ Employees may choose to use sick, vacation or PTO.
FMLA/ California Family Rights Act (CFRA) For employee's own serious health condition (max 12 weeks)	Yes	SDI benefits	Yes	May require use of sick, vacation or PTO ² Employees may choose to use sick, vacation or PTO
FMLA/CFRA To care for a family member with a serious health condition (maximum of 12 weeks)	Yes	Paid Family Leave (PFL) benefits	Yes	May require use of sick, vacation or PTO Employees may choose to use sick, vacation or PTO

Leave of Absence Type	Is Leave Legally Required?	State Wage Replacement Benefits Available?	Must Health Benefits be Continued as if Actively Employed?	How Can Vacation/Sick/Paid Time Off Be Used During Leave?
FMLA/CFRA For qualifying exigencies (maximum of 12 weeks)	Yes	Yes	Yes	May require use of vacation or PTO Employees may choose to use PTO

Use of accrued PTO will be required unless the employee is receiving benefits from a paid disability plan such as SDI, Paid Family Leave (PFL), Workers' Compensation, or supplemental disability insurance. Use of partial PTO pay may apply to supplement the partial wage replacement benefits the employee receives as long as the employee does not receive more than the employee's full wages.

Agenda Item 3.C

FMLA only To care for an ill or injured servicemember (maximum of 26 weeks)	Yes	PFL benefits, if employee is the child, parent or spouse of the servicemember	Yes	May require use of PTO Employees may choose to use PTO
FMLA/CFRA For bonding with child after birth, adoption or foster care placement. (maximum of 12 weeks)	Yes	PFL benefits	Yes	May require use of PTO Employees may choose to use PTO
Leave as an accommodation under the federal Americans with Disabilities Act (ADA) and/or California's Fair Employment and Housing Act (FEHA)	Yes, unless providing leave would be an undue hardship	SDI Benefits	No	May require use of sick, vacation or PTO Employees may request to use PTO

Absence due to Workers' Compensation Injury	No, but employee may be entitled to leave under FMLA/CFRA or as an accommodation under ADA/FEHA	Workers' Compensation benefits	Yes, but only if the absence qualifies as FMLA/CFRA leave	If FMLA/CFRA, see rules regarding use of PTO during FMLA/CFRA for employee's own serious health condition If not FMLA/CFRA, may require use of PTO
Uniformed Services Employment and Reemployment Rights Act (USERRA) (maximum of 5 years cumulative)	Yes	No	Yes, unless leave exceeds 30 days	May not require use of PTO Employees may request to use PTO

Agenda Item 3.C

Bereavement Leave	No	No	No	May require use of PTO Employees may request to use PTO
Criminal Judicial Proceedings and Victims' Rights Leave	Yes	No	No	May not require use of PTO Employees may choose to use PTO
Crime or Abuse Victims' Leave (runs concurrently with FMLA/CFRA)	Yes	SDI, if employee has a serious health condition	Yes, but only if the absence qualifies as FMLA/CFRA leave	If FMLA/CFRA, see rules regarding use of PTO during FMLA/CFRA for employee's own serious health condition Employees may choose to use PTO
Jury or Witness Duty Leave	Yes	No	No	Employees may choose to use PTO
School Activities and Child Care Issues Leave	Yes	No	No	May require employees to use PTO
Volunteer Civil Service Leave	Yes	No	No	Employees may choose to use PTO
Voting Leave	Yes	No	No	Employers must provide up to two hours of paid time off to vote

Acknowledgment of Receipt of Employee Handbook

I hereby acknowledge receipt of the Employee Handbook of San Diego Convention Center Corporation. I understand and agree that it is my responsibility to read and comply with the policies in the handbook.

I understand that the handbook and all other written and oral materials provided to me are intended for informational purposes only. Neither it, company practices, nor other communications create an employment contract or term. I understand that the policies and benefits, both in the handbook and those communicated to me in any other fashion, are subject to interpretation, review, removal, and change by management at any time without notice, except as restricted by its collective bargaining agreements.

I further understand that I am an at-will employee, excluding collective bargaining unit employees, and that neither this document nor any other communication shall bind the company to employ me now or hereafter and that my employment may be terminated by me or SDCCC without reason at any time. I understand that no representative of the company has any authority to enter into any agreement for employment for any specified period of time or to assure any other personnel action or to assure any benefits or terms or conditions of employment, or make any agreement contrary to the foregoing.

Employee Name: _____

Signed: _____

Date: _____

Receipt of Harassment Policy

I have read and I understand SDCCC Harassment, Discrimination, and Retaliation Prevention Policy as it is stated in the handbook. I understand that failure to comply with the policy could result in disciplinary action up to and including termination of employment.

Signed: _____

Date: _____

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

TO: Board of Directors

FROM: Jeff Gattas, Budget Committee Chair

DATE: For the Agenda of June 22, 2022

RE: Authorization to Contract for Extension for Workforce Management System (UKG)

BACKGROUND

The corporation currently uses UKG (formerly the Ultimate Software Group) for human resources and benefit administration, payroll processing, time & attendance, and employee performance evaluation as an integrated, web-based system since 2007. Staff leverage this software to manage every aspect of the employee life cycle - from recruitment to retirement, provide employee and manager self-service, and powerful reporting capabilities.

The original implementation of the Workforce Management System was purchased in the amount of \$246,240 as a Capital Expense and funded from Corporation reserve. Annual subscription costs based on a 400 employee minimum count for all specified modules total approximately \$90,000 per year, paid from operating funds budgeted for each respective year. Yearly hosting and transaction services are inclusive of program upgrades and support. The cost variance for the extended terms produces a cost savings estimated to be \$15,000 per year.

DISCUSSION

With the recent technology platform conversions of the financial and event management system, staff continue to evaluate if the UKG system is the optimal workforce solution for future labor tracking needs. UKG does not offer robust scheduling and record timekeeping solutions to accommodate the multiple union agreements and complex timekeeping rules called out in those agreements, requiring staff to augment efforts manually or leverage other platforms. As further integration may be required, staff recommend contracting for a three (3) year extension term to allow time for further analysis and plan for a conversion if needed while locking in favorable pricing.

In an effort to streamline the hiring process, staff will activate a new module in UKG to complement the recruitment module to provide more robust tracking and data collection. Automating new hire paperwork by managing documents and workflows along with the ability to request documents and electronic signatures from employees with a few clicks will reduce manual efforts and cut down on staff time to onboard new hires.

Given the pandemic's effect on our staffing levels, contract negotiations successfully reduced guaranteed employee counts from 400 annually to 200. Though estimates are based on our current staffing level counts, this renegotiation protects us from guaranteed minimum costs we were locked into during the pandemic under previous contract terms. The follow terms are the basis of the renegotiation:

- 3 Year renewal.
- A 3% increase was applied to most modules. They have agreed to remove that increase, and keep 2021 pricing in place for years 1&2, with a 1.5% increase year 3.
- They have agreed to keep time clock pricing the same as our current pricing for all 3 years.
- They have agreed to lower minimum guaranteed users across the board to 200 for all modules.
- Addition of the Onboarding Module.

UKG Agreement - 3 Year Extension

Agreement	One-Time Cost	Price per User	Projected Users	Projected Cost - Year 1	Projected Cost - Year 2	Projected Cost - Year 3	Projected Contract Total
Core	n.a	\$8.08	325	\$31,512.00	\$31,512.00	\$31,984.68	\$95,008.68
UTA	n.a	\$4.30	325	\$16,770.00	\$16,770.00	\$17,021.55	\$50,561.55
ACA	n.a	\$1.09	325	\$4,251.00	\$4,251.00	\$4,314.77	\$12,816.77
Testing Services	n.a	n.a	n.a	\$5,834.90	\$5,834.90	\$5,922.42	\$17,592.22
Onboarding	\$4,000.00	\$1.50	325	\$9,850.00	\$5,850.00	\$5,937.75	\$21,637.75
Time Clocks	n.a	n.a	n.a	\$4,344.48	\$4,344.48	\$4,344.48	\$13,033.44
Misc.	n.a	n.a	n.a	\$3,000.00	\$3,000.00	\$3,000.00	\$9,000.00
Grand Total				\$75,562.38	\$71,562.38	\$72,525.65	\$219,650.41

RECOMMENDATION

Recommend to Board of Directors to award contract extension to UKG, Inc., including the addition of the onboarding module, for a term of three (3) years.

/s/
Jeff Gattas, Budget Committee Chair

Agenda Item 3.D.2

SAN DIEGO CONVENTION CENTER CORPORATION

M E M O R A N D U M

TO: Board of Directors

FROM: Jeff Gattas, Budget Committee Chair

DATE: For the Agenda of June 22, 2022

RE: Authorization to Ratify Revised Fiscal Year 2023 Budget

BACKGROUND

The San Diego Convention Center Corporation's FY2023 budget was adopted March 23, 2022 and approved by City Council of San Diego on May 10, 2022. During Budget Review with the City of San Diego, the City confirmed funding SDCCC for the full \$10.2M (\$10,196,440) support request in FY22 as opposed to the \$6 million forecasted in our FY22 budget presentation that our Board approved in March. The City's position on making that decision was based on immediate capital needs within the next few years as presented in the FY23-FY27 outlook. Therefore, the City eliminated \$1 million in CIP request needs as presented in the FY2023 budget and will only fund the direct pass through for SDTA marketing contract support of \$2,655,000. This will result in a projected ending reserve balance for FY22 of \$24,257,668.

DISCUSSION

Beginning reserve balance for FY2023 is estimated at \$24,257,668. With the elimination of the \$1 million CIP request in FY2023, ending reserve balance for FY2023 is budgeted as \$16,874,778 (as opposed to the approved \$13,673,338 value previously presented).

Any future budgetary adjustment requests will be brought forth to Board of Directors as a forecast change during the fiscal year.

STAFF RECOMMENDATION

Budget Committee recommends to the Board to approve the ratification of the FY2023 Operating Budget.

Jeff Gattas, Budget Committee Chair

SAN DIEGO CONVENTION CENTER CORPORATION
FY2023 BUDGET - REVISED June 2022

Jun 09, 2022

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	FY2018 PRE-COVID ACTUALS	FY2019 PRE-COVID ACTUALS	FY2022 FORECAST	FY2023 PROPOSED BUDGET	FY2024 PROJECTION
OPERATING REVENUES					
Building Rent	\$9,150,620	\$9,598,717	\$8,044,900	\$8,966,390	\$8,290,720
Food & Beverage	10,173,665	13,207,127	4,908,320	11,790,680	11,226,140
Event Services	4,110,291	5,194,152	1,874,050	3,764,740	3,634,960
Utilities	5,902,621	7,292,141	3,246,150	6,558,200	6,247,170
Telecommunications	4,444,169	5,029,900	3,327,930	3,947,770	4,376,200
Audio & Visual	1,161,979	1,548,527	693,690	1,100,220	1,189,910
Business Development	180,000	394,650	448,000	876,100	890,000
Interest/Investment Income	165,690	279,158	-100,000	100,000	50,000
Other Revenues	124,469	139,233	61,260	80,260	85,300
TOTAL OPERATING REVENUES	\$35,435,992	\$42,683,605	\$22,504,300	\$37,184,360	\$35,990,400
OPERATING INFLOWS					
City of San Diego - Marketing	\$1,931,000	\$2,133,025	\$0	\$2,655,000	\$2,729,500
City of San Diego - Funding	1,505,000	0	10,196,440	0	8,000,000
SD Tourism Marketing District (TMD)	0	0	90,000	0	0
Emergency Intake Site	0	0	2,452,260	0	0
TOTAL OPERATING INFLOWS	\$3,436,000	\$2,133,025	\$12,738,700	\$2,655,000	\$10,729,500
TOTAL REVENUES AND INFLOWS	\$38,871,992	\$44,816,630	\$35,243,000	\$39,839,360	\$46,719,900
OPERATING EXPENSES					
Salaries & Wages - Full Time	\$12,664,027	\$13,191,411	\$13,484,970	\$15,289,590	\$16,287,470
Salaries & Wages - Part Time	4,011,802	5,056,427	3,413,160	4,668,190	4,861,750
Fringe Benefits	5,026,155	5,731,579	3,952,520	5,501,180	5,901,710
TOTAL PERSONNEL EXPENSES	\$21,701,984	\$23,979,416	\$20,850,650	\$25,458,960	\$27,050,930
General Expenses	\$2,319,133	\$2,570,368	\$1,295,690	\$1,972,740	\$4,379,400
Repair & Maintenance	2,885,991	2,703,164	3,175,630	4,795,260	5,034,970
Utilities	4,110,677	4,419,035	4,292,000	4,594,560	4,824,290
Contracted Services	874,749	971,723	909,050	1,538,520	1,070,390
Travel & Transportation	123,718	123,847	42,170	67,180	70,200
Insurance	347,613	366,467	606,610	683,230	717,390
Telecommunications	48,174	44,539	35,700	59,650	62,640
Sales & Marketing	2,082,600	2,184,609	1,934,860	2,702,310	2,784,340
Supplies	597,719	549,363	457,880	603,400	633,620
TOTAL SUPPLIES & SERVICES	\$13,390,374	\$13,933,116	\$12,749,590	\$17,016,850	\$19,577,240
TOTAL OPERATING EXPENSES	\$35,092,358	\$37,912,532	\$33,600,240	\$42,475,810	\$46,628,170
NET OPERATING REVENUES / EXPENSES	\$3,779,633	\$6,904,098	\$1,642,760	-\$2,636,450	\$91,730
EXTRAORDINARY GAIN ON DEBT FORGIVENESS	\$0	\$0	\$6,387,000	\$0	\$0
DEBT SERVICE EXPENSES					
Interest Expense	\$572,190	\$414,177	\$836,100	\$806,980	\$776,800
Loan Admin Fee	0	70,125	69,690	67,440	64,910
Principal: Warehouse Lease	2,200	2,200	2,200	1,650	0
Principal: IBank Loan	731,970	783,200	785,470	813,670	842,880
TOTAL DEBT SERVICE EXPENSES	\$1,306,360	\$1,269,702	\$1,693,460	\$1,689,740	\$1,684,590

SAN DIEGO CONVENTION CENTER CORPORATION
FY2023 BUDGET - REVISED June 2022

Jun 09, 2022

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	FY2018 PRE-COVID ACTUALS	FY2019 PRE-COVID ACTUALS	FY2022 FORECAST	FY2023 PROPOSED BUDGET	FY2024 PROJECTION
CAPITAL INVESTMENTS					
CIP - Infrastructure Projects	\$15,316,911	\$4,031,000	\$900,000	\$6,910,000	\$23,944,540
Debt Finance offset (IBank/Roof)	-\$15,576,116	-\$1,468,610	\$0	-\$5,160,000	-\$14,950,000
"O&M" Operating & Major Maintenance Capital items	\$0	\$0	\$1,050,302	\$1,306,700	\$1,312,000
TOTAL CAPITAL INVESTMENTS (Net of Debt)	-\$259,205	\$2,562,390	\$1,950,302	\$3,056,700	\$10,306,540
NET OPERATING RESERVE IMPACT	\$2,732,478	\$3,072,007	\$4,385,998	-\$7,382,890	-\$11,899,400

OPERATING RESERVE ACTIVITY	FY2018 PRE-COVID ACTUALS	FY2019 PRE-COVID ACTUALS	FY2022 FORECAST	FY2023 PROPOSED BUDGET	FY2024 PROJECTION
Beginning Operating Reserve	\$5,303,993	\$9,017,714	\$19,871,670	\$24,257,668	\$13,673,338
+ Net Operating Revenues / (Expenses)	3,456,716	6,904,098	1,642,760	-2,636,450	91,730
+ PPP Loan Forgiveness	0	0	6,387,000	0	0
- Debt Service Obligation	-2,200	-1,269,702	-1,693,460	-1,689,740	-1,684,590
- Capital Investment (Net of Debt)	259,205	-2,562,390	-1,950,302	-3,056,700	-10,306,540
Ending Reserve Balance	\$9,017,714	\$12,089,721	\$24,257,668	\$16,874,778	\$1,773,938
Reserve Minimum Balance (8%)	\$2,990,000	\$3,080,000	\$2,989,110	\$3,132,124	\$2,792,167
Over / (Under) Reserve Minimum Balance	\$6,027,714	\$9,009,721	\$21,268,558	\$13,742,654	-\$1,018,229

Agenda Item 3.E

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

TO: Board of Directors

FROM: Jaymie Bradford, Audit Committee Chair

DATE: For the Agenda of June 22, 2022

RE: Acceptance of Money Purchase Pension Plan Audited Financial Report for the Plan Year Ended December 31, 2021

BACKGROUND

Annually, the Corporation files a Public Retirement Systems Financial Transaction Report with the State Controller's Office of the San Diego Convention Center Corporation Money Purchase Pension Plan (MPPP) performance based on an annual independent audit.

DISCUSSION

The accounting firm of Considine & Considine, LLP has completed the audit of the Corporation's MPPP for the plan year ended December 31, 2021. They have served as our auditors for many years. The five (5) year contract term expired in 2019, but was extended during calendar 2020 due to the timeline constraint we were facing given the limited resources in Finance.

The purpose of this audit to express an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP) and whether the supplemental schedules are fairly stated in all material respects in relation to the financial statements as a whole. I am happy to report a successful audit with confirmation that our financial statements are fairly presented in conformity with U.S. GAAP, the notes include all disclosures required by laws and regulations to which the plan is subject.

_____/s/_____
Jaymie Bradford, Audit Committee Chair

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**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

DRAFT

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN**

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of
San Diego Convention Center Corporation Money Purchase Pension Plan

Scope and Nature of the ERISA Section 103(a)(3)(c) Audit

We have performed an audit of the accompanying financial statements of San Diego Convention Center Corporation Money Purchase Pension Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) [ERISA Section 103(a)(3)(C) audit]. The financial statements comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements (2021 financial statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of San Diego Convention Center Corporation Money Purchase Pension Plan's 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 6 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section

- the amounts and disclosures in the 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying 2021 financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

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Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of San Diego Convention Center Corporation Money Purchase Pension Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the 2021 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about San Diego Convention Center Corporation Money Purchase Pension Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the plan; and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 financial statements, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of San Diego Convention Center Corporation Money Purchase Pension Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about San Diego Convention Center Corporation Money Purchase Pension Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

2021 Supplemental Schedules Required by ERISA

The supplemental schedule of assets (held at the end of the year) is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedules that agreed to or

is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion—

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditor's Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of San Diego Convention Center Corporation Money Purchase Pension Plan. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by a qualified institution. In our report dated XXX, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

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An accountancy corporation

June 7, 2022

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2021 AND 2020**

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	<u>2021</u>	<u>2020</u>
ASSETS		
CASH (note 5)	\$ 70,804	\$ 22,357
INVESTMENTS		
Investments at fair value (notes 6 and 7)	26,067,816	24,892,233
RECEIVABLES		
Notes receivable from participants	581,485	627,988
Administrative fee refund (note 3)	-	35,767
Employer contributions	<u>-</u>	<u>33,166</u>
	<u>581,485</u>	<u>696,921</u>
TOTAL ASSETS	26,720,105	25,611,511
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 26,720,105</u></u>	<u><u>\$ 25,611,511</u></u>

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See accompanying notes

SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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	<u>2021</u>	<u>2020</u>
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
INVESTMENT INCOME (note 6)		
Net appreciation in fair value of investments	\$ 2,058,581	\$ 1,443,405
Dividends	1,202,380	661,817
Mutual fund rebate	-	35,037
	<u>3,260,961</u>	<u>2,140,259</u>
Interest income on notes receivable from participants	26,766	35,426
CONTRIBUTIONS		
Employer	<u>1,006,723</u>	<u>1,181,202</u>
TOTAL ADDITIONS	4,294,450	3,356,887
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants (note 5)	3,090,639	3,567,919
Administration fees (note 3)	<u>95,217</u>	<u>60,346</u>
TOTAL DEDUCTIONS	<u>3,185,856</u>	<u>3,628,265</u>
NET INCREASE/(DECREASE)	1,108,594	(271,378)
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	<u>25,611,511</u>	<u>25,882,889</u>
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	<u><u>\$ 26,720,105</u></u>	<u><u>\$ 25,611,511</u></u>

See accompanying notes

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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NOTE 1 DESCRIPTION OF PLAN

The following description of San Diego Convention Center Corporation Money Purchase Pension Plan ("Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

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GENERAL

The Plan is a defined contribution plan covering all full-time and part-time employees of The San Diego Convention Center (the "Company" or "Employer") who are not covered under a union retirement plan. Full-time employees qualify to participate in the Plan once they have completed 1,000 hours in their first year of service while part-time employees qualify to participate in the Plan once 1,000 hours have been completed each year. The Plan is subject to certain provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

CONTRIBUTIONS

Contributions to the Plan are as follows:

For each plan year, the Employer is required to contribute an amount equal to 10% of the total annual compensation of all participants who qualified to participate in the Plan. Contributions for any one plan year shall be transferred to the Plan; provided, however, such contributions shall be paid no later than the due date of the Company's corporate tax returns (or any extension thereof). In the event the annual contribution is deposited after the close of the plan year, the employer shall designate the plan year to which such contributions apply. Total payroll for the years ended December 31, 2021 and 2020 was \$13,756,639 and \$14,581,763, respectively. Contributions were calculated using eligible wages of \$11,212,027 for 184 employees and \$12,845,489 for 234 employees for the years ended December 31, 2021 and 2020, respectively. The Plan was fully funded during 2021 and 2020.

The Plan does not permit voluntary contributions.

PARTICIPANT ACCOUNTS

Participants have separate accounts for contributions to the Plan. Annually, each account recognizes appropriate contributions, plan earnings or losses net of fees, and applicable forfeitures upon participant termination.

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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FORFEITED ACCOUNTS

Forfeitures are used to reduce the employer's liability for current or subsequent contributions to the Plan.

VESTING

Vesting in participant's accounts, based on years of service, is as follows:

<u>Years of service</u>	<u>Vested %</u>
Less than 1 year	None
1 year but less than 2	20
2 years but less than 3	40
3 years but less than 4	60
4 years but less than 5	80
5 years of more	100

LOANS

Participant loans are permitted under the Plan, however, loan amounts may not exceed the lesser of \$50,000 or 50% of the participant's vested account balance, subject to a minimum loan amount of \$1,000. Interest charged on the loans is prime rate plus 0.5%.

Under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), effective March 27, 2020 through September 23, 2020, loan provisions were temporarily adopted for 2020. Loan amounts were to not exceed the lesser of \$100,000 or 100% of the participant's vested account balance during this period and the delay of loan payments were allowed.

INVESTMENT OPTIONS

Upon enrollment into the Plan, participants may direct their account balances in any investment alternatives approved by the trustee, including but not limited to mutual funds and the common and collective fund. All earnings and losses on the directed investments are credited directly to the participants' accounts.

PAYMENT OF BENEFITS

Vested benefits are payable in one lump-sum distribution of the entire account balance or in a single sum payment of a portion of the account balance.



**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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For purposes of determining whether or not a withdrawal is being used to provide benefits in accordance with the Plan document, the term "benefits" is limited to amounts becoming payable to the participant due to:

- (A) termination of employment
- (B) retirement
- (C) disability
- (D) death

as defined in the plan document.

Withdrawals for reasons other than those listed above are allowed but may be subject to certain charges and adjustments.

In the event of a mandatory distribution greater than \$1,000, but no more than \$5,000, in accordance with the payment provisions of the Plan, if the participant does not elect to have such distributions paid directly to an eligible retirement plan specified by the participant in a direct rollover or to receive the distribution directly under any form of payment allowed under the Plan, then the distribution will be paid in a direct rollover to an individual retirement plan designated by the plan administrator. Mandatory distributions of \$1,000 or less will be paid in cash as directed by the plan administrator, unless the participant elects a direct rollover or elects to receive the distribution under another form permitted by the Plan.

Under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), effective January 1, 2020 to December 31, 2020, distribution provisions were temporarily adopted.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The accompanying financial statements have been prepared using the accrual method in conformity with generally accepted accounting principles (GAAP) in the United States of America.

Use of Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Investments Valuation and Income Recognition - Investments are maintained in mutual funds and in a non-fully benefit-responsive common collective trust and are stated at values certified by the institution that holds the Plan's assets as an investment manager and are under the custody of the Plan trustee.

SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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Quoted market prices are used to value investments at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year. The cost basis of the assets was \$23,397,933 and \$23,392,282 as of December 31, 2021 and 2020, respectively.

Fair Value Measurement - The Plan follows accounting standards consistent with the Financial Accounting Standards Board (FASB) Codification which defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements for all financial assets and liabilities.

Classification and measurement of financial instruments - The Plan follows Accounting Standards Update (ASU) 2016-01 "Recognition and Measurement of Financial Assets and Financial Liabilities." This ASU amends certain aspects of current guidance on the recognition, measurement and disclosure of financial instruments. Among other changes, this ASU requires most equity investments to be measured at fair value. Additionally, the ASU eliminates the requirement to disclose the method and significant assumptions used to estimate the fair value for instruments not recognized at fair value in the Plan's financial statements.

Notes Receivable from Participants - Loans to participants are reported at their unpaid principal balances plus any accrued but unpaid interest. Management regularly reviews the collectability of the delinquent loan balances and records an allowance based on circumstances of the individual's underlying loan. Uncollectible loans are written off against the participant's balance at the time the participant leaves the Plan. Notes receivable from participants are reported net of an allowance of \$0 as of December 31, 2021 and 2020.

Benefits - Benefits are recorded when paid. At December 31, 2021, there is an unpaid benefit for one participant totaling \$7,339. There were no unpaid benefits at December 31, 2020.

Income Taxes - The Plan follows accounting standards which clarify the accounting for uncertainty in income taxes recognized in the Plan's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on derecognition and measurement of a tax position taken or to be taken in a tax return. The Plan is a governmental plan as defined in section 3(32) of ERISA, and thus exempt from Title 1 of ERISA and certain provisions of the Internal Revenue Code. The Plan is subject to the unrelated business income tax (UBIT) in any taxable year its unrelated business taxable income (UBTI) exceeds \$1,000. The Company does not believe it has conducted business which is not substantially related to the Plan's exempt purpose or invested in any non-qualified



**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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investments that would be subject to UBIT. As of December 31, 2021 and 2020, the Plan has not accrued interest or penalties related to uncertain tax positions.

NOTE 3 ADMINISTRATIVE EXPENSES

Expenses of the Plan, to the extent that the employer does not pay such expenses, may be paid out of the assets of the Plan provided that such payment is permitted by law. Certain investment related expenses are included as a reduction of investment return and are not separately reflected. During the years ended December 31, 2021 and 2020, the majority of the administrative expenses of the Plan were paid using assets of the Plan. Amounts totaling \$95,217 and \$60,346 were paid directly by the Plan for administration fees for the years ended December 31, 2021 and 2020, respectively.

For the year ended December 31, 2020, the Plan recorded a receivable for overcharged administrative fees totaling \$35,767. The Plan received this refund in 2021.

NOTE 4 PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, the rights of all employees to account balances accrued to the date of the termination are fully vested and non-forfeitable.

NOTE 5 BENEFITS PAID TO PARTICIPANTS

For the years ended December 31, 2021 and 2020, \$3,090,639 and \$3,567,919, respectively, have been distributed to participants who have withdrawn from the Plan.

For the years ended December 31, 2021 and 2020, the total amount of forfeitures used for the Plan were \$85,944 and \$55,893, respectively. Forfeitures are used to reduce employer contributions to the Plan. At December 31, 2021 and 2020, there were forfeited nonvested accounts totaling \$11,155 and \$20,277, respectively.

As a result of the spread of the COVID-19 Coronavirus and the resulting health orders, operations were significantly impacted during 2021 and 2020. The Company furloughed and laid-off employees, resulting in a significant increase in distributions to participants during 2021 and 2020.

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**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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NOTE 6 INFORMATION PREPARED AND CERTIFIED BY PLAN TRUSTEE

The following is information prepared and certified by Charles Schwab Trust Bank:

	2021	2020
Cash	\$ 70,804	\$ 22,357
Investments at fair value:		
Mutual funds	23,418,319	21,708,322
Common and collective fund	2,649,497	3,183,911
	<u>26,067,816</u>	<u>24,892,233</u>
	<u>\$ 26,138,620</u>	<u>\$ 24,914,590</u>
	2021	2020
Investment income:		
Net appreciation in fair value of investments	\$ 2,058,581	\$ 1,575,737
Dividends	661,817	635,844
	<u>\$ 2,720,398</u>	<u>\$ 2,211,581</u>

The following is information prepared and certified by Wells Fargo Bank:

	2021	2020
Investment income/(loss):		
Net depreciation in fair value of investments	\$ -	\$ (132,332)
Dividends	-	25,972
Mutual fund rebate	-	35,037
Interest income on notes receivable from participants	-	21,062
	<u>\$ -</u>	<u>\$ (50,261)</u>

During 2021 and 2020, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the years) appreciated in value by \$2,058,581 and \$1,443,405, respectively.

NOTE 7 COMMON AND COLLECTIVE FUND

The Plan has a non-fully benefit-responsive common and collective fund with Charles Schwab Trust Bank and that is operated as a stable return fund. Charles Schwab Trust Bank maintains Plan contributions in an unallocated account which is part of the general assets of Charles Schwab Trust Bank. The fund is included in the financial statements at fair value as reported to the Plan by Charles Schwab Trust Bank at December 31, 2021 and 2020. The fund is credited with contributions made under the fund, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investments at contract value.

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**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the fund at December 31, 2021 and 2020 was \$2,649,497 and \$3,183,911, respectively. The crediting interest rate was 2.20% at December 31, 2021 and 1.96% at December 31, 2020. The crediting interest rate is based on the rate in effect when money is deposited in the account.

NOTE 8 FAIR VALUE MEASUREMENT

The Plan's investments are reported at fair value in the accompanying statements of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

The fair value of the interest in the mutual funds is based on the closing price reported in the active market where the individual securities are traded, when available and is classified as Level 1 investments.

The common and collective fund operates as a stable return fund. The fund is valued on the basis of the relative interest of each participating investor in the fair value of the underlying assets of each of the respective common collective trusts. The values of the underlying investments are observable, and accordingly, the investments are classified as Level 2.

The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they

SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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generally provide the most reliable evidence of fair value. Level 3 inputs are used only when Level 1 or Level 2 inputs are not available.

Financial assets carried at fair value at December 31, 2021 are classified below in one of the three categories described above. The table below presents the balances of assets measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
Assets				
Mutual funds	\$ 23,418,319	\$ -	\$ -	\$ 23,418,319
Common and collective fund	-	2,649,497	-	2,649,497
	<u>\$ 23,418,319</u>	<u>\$ 2,649,497</u>	<u>\$ -</u>	<u>\$ 26,067,816</u>

Financial assets carried at fair value at December 31, 2020 are classified below in one of the three categories described above. The table below presents the balances of assets measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
Assets				
Mutual funds	\$ 21,708,322	\$ -	\$ -	\$ 21,708,322
Common and collective fund	-	3,183,911	-	3,183,911
	<u>\$ 21,708,322</u>	<u>\$ 3,183,911</u>	<u>\$ -</u>	<u>\$ 24,892,233</u>

NOTE 9 RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants account balances and the amounts reported in the statement of net assets available for benefits.

NOTE 10 RELATED PARTY TRANSACTIONS

Certain Plan investments include a common and collective fund and shares of money market funds managed by Charles Schwab Trust Bank (previously Wells Fargo Bank). Charles Schwab Trust Bank is the trustee as defined by the Plan effective July 31, 2020 (previously Wells Fargo Bank). Administrative fees incurred by the Plan to the Trustees totaled \$10,546 and \$60,346 for the years ended December 31, 2021 and 2020, respectively. Administrative fees incurred by the Plan to the third party administrator, Randall and Hurley, Inc. totaled \$34,239 and \$9,803 for the years ended December 31, 2021 and 2020,

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**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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respectively. Consulting fees incurred by the Plan to RBC Capital Markets, LLC totaled \$50,432 and \$11,815, for the years ended December 31, 2021 and 2020, respectively. The Company also pays certain administrative fees of the Plan, which are not reimbursed. In addition, the Company provides administrative services to the Plan at no cost to the Plan. Substantially all of the Plan's operating expenses are paid by the Company. These transactions qualify as party-in-interest transactions.

NOTE 11 SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through June 7, 2022, the date which the financial statements were available to be issued. There were no material subsequent events which affected the amounts or disclosures in the financial statements.

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
REQUIRED SUPPLEMENTAL INFORMATION**

**SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT THE END OF YEAR)
DECEMBER 31, 2021**

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Plan Sponsor's EIN: 33-0107636
Plan Number: 001

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(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
	American Fds Target Date Ret 2025 R6	Mutual fund	**	\$ 5,316,038
	American Funds Target Date Ret 2040 R6	Mutual fund	**	4,076,325
	Wells Fargo Stable Value Fund C	Common and collective funds	**	2,649,497
	MFS Mid Cap Growth CL R6	Mutual fund	**	1,933,896
	American Fds Target Date Ret 2030 R6	Mutual fund	**	1,724,766
	American Fds Target Date Ret 2010 R6	Mutual fund	**	1,493,430
	Vanguard 500 Index F	Mutual fund	**	1,172,608
	American Fds Target Date Ret 2035 R6	Mutual fund	**	993,655
	American Fds Target Date Ret 2050 R6	Mutual fund	**	830,659
	American Fds Target Date Ret 2020 R6	Mutual fund	**	683,709
	MFS Growth FUnd CL R6	Mutual fund	**	674,175
	Vanguard Info Tech Index Fd Admiral	Mutual fund	**	651,821
	American Fd 2055 Target Date	Mutual fund	**	586,941
	American Fds Target Date Ret 2045 R6	Mutual fund	**	474,795
	American Fd 2060 Target Date	Mutual fund	**	440,042
	JP Morgan Equity Income R6	Mutual fund	**	374,815
	Pimco Rae Us Small Fund Instl	Mutual fund	**	358,910
	T. Rowe Price Overseas Stock Fund I	Mutual fund	**	282,817
	American Funds Target Date Ret 2015 R6	Mutual fund	**	274,352
	Vanguard Healthcare Index Fd Adm	Mutual fund	**	174,236
	PGIM Total Return Bd R6	Mutual fund	**	167,199

See accompanying independent auditor's report

SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT THE END OF YEAR)
DECEMBER 31, 2021

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DRAFT

Plan Sponsor's EIN: 33-0107636
Plan Number: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
	Vanguard Total Intl Stock Index Adm	Mutual fund	**	139,456
	Conestoga Small Cap Inst	Mutual fund	**	114,285
*	Vanguard Real Estate In Fd Adm Shares	Mutual fund	**	112,085
	Vanguard Financials Index Fd Adm Shr	Mutual fund	**	104,064
	Cash	Cash	**	70,804
	Wells Fargo Special Mid Cap Val R6	Mutual fund	**	61,219
	Vanguard Total Bond Market Index Adm	Mutual fund	**	58,850
	Vanguard FTSE Social Index ADM	Mutual fund	**	50,246
	Vanguard Extended Market Index Fund ADM	Mutual fund	**	48,061
	Invesco Oppenheimer Dev Markets R6	Mutual fund	**	30,161
	American Funds New Perspective R6	Mutual fund	**	12,523
	American Funds Target Date Ret 2065 R6	Mutual fund	**	2,180
				\$ 26,138,620

* Indicates an identified person known to be a party-in-interest to the Plan.
** Cost has been omitted as investment is participant directed.

See accompanying independent auditor's report

SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT THE END OF YEAR)
DECEMBER 31, 2021

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Plan Sponsor's EIN: 33-0107636
Plan Number: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
*	Notes receivable from participants	Various maturity dates Interest rate 3.75% - 6.00%	**	\$ 581,485

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* Indicates an identified person known to be a party-in-interest to the Plan.
** Cost has been omitted as investment is participant directed.

See accompanying independent auditor's report

Agenda Item 3.F.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 June 22, 2022

RE: Approval of Resolution No. 2022-07 Adoption of San Diego Convention Center Corporation, Inc. Restated Money Purchase Pension Plan (MPPP)

BACKGROUND

The San Diego Convention Center Corporation's Retirement Plans were restated effective July 31, 2020 as part of the retirement plan conversion project. The MPPP is on a Cycle 3 DC Restatement period that covers 401(k), profit sharing, and money purchase plans which requires restatement every three years unlike the 403b and 457 which are on six-year cycles. Because the current MPPP document was last restated effective 7/31/2020, outside the required restatement window of August 1, 2020 and July 31, 2022, we are mandated to restate by July 31, 2022 in order to remain in compliance with the plan provisions.

The Money Purchase Pension Plan (MPPP) was originally adopted January 1, 1986 and restated effective January 1, 2008 and January 1, 2015 and July 31, 2020. The Plan is the primary retirement benefit provided to eligible employees of the Corporation. The Plan and Trust are intended to qualify as a tax-exempt plan and trust under Code sections 401(a) and is further intended to qualify as a governmental plan under Code section 414(d). The MPP Plan is 100% Employer funded for qualified participants and does not allow employee contributions.

DISCUSSION

Internal Revenue Service ("IRS") regulations require the restatement of plan documents between August 1, 2020 and July 31, 2022 that are assigned to Cycle 3 Deferred Compensation restatement regulations. Though the July 31, 2020 restatement incorporated required IRS provisions noted below, it does not satisfy the requirement of being effective within the required window.

Hardship distributions regulations (effective January 2019),
SECURE Act (passed in December 2019), and
CARES Act (passed in March 2020)

Staff worked closely with Corporation's Plan administrator, Randal + Hurley and engaged with our specialized ERISA attorney firm, Davis Wright Tremaine LLP for the review of these requirements to ensure provisions fully align the Plans with current federal and state law.

RECOMMENDATION

Approve Resolution No. 2022-07 to adopt the San Diego Convention Center Corporation, Inc. Restated Money Purchase Pension effective January 1, 2022.

_____/s/_____
Mardeen Mattix
Chief Financial Officer



**SAN DIEGO CONVENTION CENTER CORPORATION MONEY
PURCHASE PENSION PLAN**

Prepared by:
Randall & Hurley, Inc.

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SAN DIEGO CONVENTION CENTER CORPORATION MONEY PURCHASE PENSION PLAN

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ADOPTION AGREEMENT #002
GOVERNMENTAL MONEY PURCHASE NON-STANDARDIZED PLAN

The undersigned adopting employer hereby adopts this Plan. The Plan is intended to qualify as a tax-exempt plan under Code section 401(a). The Plan is further intended to qualify as a governmental plan under Code section 414(d). The Plan shall consist of this Adoption Agreement, its related Basic Plan Document #02, and any Addendum to the Adoption Agreement. Unless otherwise indicated, all Section references are to Sections in the Basic Plan Document.

EMPLOYER INFORMATION

NOTE: An amendment is not required to change the responses in items 1-10 below.

NOTE: The Plan Sponsor must be an entity that is eligible to adopt a governmental plan as defined in Code section 414(d).

1. Name of adopting employer (Plan Sponsor): San Diego Convention Center Corporation
2. Address: 111 W. Harbor Drive
3. City: San Diego
4. State: California
5. Zip: 92101
6. Phone number: 619-525-5301
7. Fax number: _____
8. Plan Sponsor EIN: 33-0107636
9. Plan Sponsor fiscal year end: 06/30
10. State of organization of Plan Sponsor: California

PLAN INFORMATION

SECTION A. GENERAL INFORMATION

Plan Name/Effective Date

1. Plan Number: 001
2. Plan name:
 - a. San Diego Convention Center Corporation Money Purchase Pension Plan
 - b. _____

NOTE: A.1 is optional.

3. Effective Date

- a. Original effective date of Plan: 01/01/1986
- b. ☒ This is a restatement of a previously-adopted plan. Effective date of Plan restatement: 01/01/2022

NOTE: The dates specified above in A.3a or A.3b may not be earlier than the first day of the Plan Year during which the Plan is adopted or amended and restated by the Plan Sponsor.

4. Plan Year

- a. Plan Year means each consecutive 12-month period ending on 12/31 (e.g. December 31)
- b. ☐ The Plan has a Short Plan Year. The Short Plan Year begins _____ and ends _____
 - i. In the event of a Short Plan Year, service conditions will be pro-rated based on months for the following purposes:
 - ☐ None
 - ☐ All purposes (i.e., eligibility, allocation conditions, and vesting)
 - ☐ Other: _____

NOTE: The provisions of A.4b apply only in the event of an initial Plan Year. A Short Plan Year for reasons other than the initial Plan Year requires a Plan amendment.

5. Limitation Year means:

- a. ☒ Plan Year
- b. ☐ calendar year
- c. ☐ Other: _____

NOTE: If "Other" is selected, the Limitation Year must be a consecutive 12-month period.

6. Frozen Plan

- a. ☐ The Plan is frozen as to eligibility effective: _____
- b. ☐ The Plan is frozen as to benefit accruals effective: _____

Plan Features

7. Employee Contributions (Section 4.01)

- a. Mandatory Employee Contributions (pick-up contributions) are permitted under the Plan:
 - i. ☐ Yes, _____% of Plan Compensation
 - ii. ☐ Yes, salary schedule according to the chart below:

<u>Salary Range</u>	<u>Mandatory Employee Contributions</u>
---------------------	---
 - iii. ☐ Yes, other fixed method: _____
 - iv. ☒ No
- b. Voluntary (After-Tax) Contributions are permitted under the Plan:
 - i. ☐ Yes
 - ii. ☒ No
 - iii. ☐ Formerly Allowed
- c. Mandatory After-Tax Employee Contributions are permitted under the Plan:
 - i. ☐ Yes, _____% of Plan Compensation
 - ii. ☐ Yes, salary schedule according to the chart below:

<u>Salary Range</u>	<u>Mandatory After-Tax Employee Contributions</u>
---------------------	---
 - iii. ☐ Yes, other fixed method: _____
 - iv. ☒ No

NOTE: If A.7a is "No", questions regarding Mandatory Employee Contributions are disregarded.

NOTE: If other method (A.7a.iii or A.7c.iii) is selected, the method must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

Compensation

8. Statutory Compensation

SECTION A. GENERAL INFORMATION

- a. Definition of Statutory Compensation (as defined in Article 2 of the Basic Plan Document):
- i. ☐ Section 415 Compensation
 - ii. ☒ W-2 Compensation
 - iii. ☐ Withholding Compensation
 - iv. ☐ Section 415 Safe Harbor Option
- b. ☐ Include deemed Code section 125 compensation in definition of Statutory Compensation.
- c. ☒ Include Post Severance Compensation in definition of Statutory Compensation.
- d. ☐ Include Post Year End Compensation in definition of Statutory Compensation.

9. Plan Compensation

- a. Definition of Plan Compensation (as defined in Article 2 of the Basic Plan Document) for purposes of allocations will be Statutory Compensation with the following exclusions:

	Mandatory/Voluntary/ Mandatory After-Tax Contributions	Pension Contributions
i. No Exclusions	<input type="checkbox"/>	<input type="checkbox"/>
ii. Pay earned before participation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iii. Amounts which are contributed by the Employer pursuant to a salary reduction agreement and not includible in the gross income of the Participant under Code sections 125, 402(e)(3), 402(h), 403(b), 132(f) or 457	<input type="checkbox"/>	<input type="checkbox"/>
iv. All of the following benefits (even if includable in gross income): reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation, and welfare benefits (Treas. Reg. section 1.414(s)-1(c)(3))	<input type="checkbox"/>	<input checked="" type="checkbox"/>
v. Differential military pay as defined in Code section 3401(h)(2)	<input type="checkbox"/>	<input type="checkbox"/>
vi. Final Paycheck Pay	<input type="checkbox"/>	<input type="checkbox"/>
vii. Post Severance Compensation	<input type="checkbox"/>	<input type="checkbox"/>
viii. Post Year End Compensation	<input type="checkbox"/>	<input type="checkbox"/>
ix. Other adjustments (e.g., commissions, bonuses, etc.):	<input type="checkbox"/>	<input type="checkbox"/>

NOTE: If any exclusions are selected which do not meet the safe harbor exclusions as described under Section 414(s) Compensation, the definition of Plan Compensation will cause the Plan to fail to qualify for any contribution safe harbors, such as the permitted disparity allocation or safe harbor contributions.

NOTE: If "Other adjustments" is selected, the description must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

NOTE: See Section 4.01(c) for rules regarding elections for bonuses or other special pay.

- b. Plan Compensation is determined over the period specified below ending with or within the Plan Year:
- i. ☒ Plan Year
 - ii. ☐ calendar year
 - iii. ☐ Plan Sponsor Fiscal Year

SECTION A. GENERAL INFORMATION

- iv. ☐ Limitation Year
v. ☐ Other 12-month period beginning on: _____ (enter month and day)

Definitions

10. Disability

Definition of Disability

- a. ☒ The Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The permanence and degree of such impairment shall be supported by medical evidence.
- b. ☐ Under the Social Security Act. The determination by the Social Security Administration that the Participant is eligible to receive disability benefits under the Social Security Act.
- c. ☐ Inability to engage in comparable occupation. The Participant suffers from a physical or mental impairment that results in his inability to engage in any occupation comparable to that in which the Participant was engaged at the time of his disability. The permanence and degree of such impairment shall be supported by medical evidence.
- d. ☐ Pursuant to other Employer Disability Plan. The Participant is eligible to receive benefits under an Employer-sponsored disability plan.
- e. ☐ Under uniform rules established by the Plan Administrator. The Participant is mentally or physically disabled under a written policy.
- f. ☐ Other: _____

NOTE: If "Other" is selected, the definition provided must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

11. Choice of Law/State Law

- a. Name of state or commonwealth for choice of law (Section 12.05): California
- b. Enter any state law provisions that apply to the Plan: _____

NOTE: Only state law and regulations may be entered in A.11b. The Plan may not violate applicable state law.

SECTION B. ELIGIBILITY

Exclusions

1. The term "Eligible Employee" shall not include (Check items as appropriate):

	Mandatory/Voluntary/ Pension Contributions	
	Mandatory After-Tax Contributions	
a. No Exclusions	<input type="checkbox"/>	<input type="checkbox"/>
b. Union Employees	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Leased Employees	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Non-Resident Alien	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Other Employees (Section 3.06(a)): <u>Independent Contractors and Illegal Aliens</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

SECTION B. ELIGIBILITY

NOTE: If "Other Employees" is selected, the definition provided must be objectively determinable and may not name a specific individual or be specified in a manner that is subject to Employer discretion.

2. Opt-Out

☐ An Employee may irrevocably elect not to participate in the Plan.

NOTE: If the Plan provides for Mandatory Employee Contributions (A.7a.iv is not selected), B.2 shall not apply to Mandatory Employee Contributions.

Eligibility Service Rules

3. Other Employer Service

☐ Count service with employers other than the Employer for eligibility purposes. List other employers along with any limitations: _____

4. Special Participation Date

a. ☐ Allow immediate participation for all Eligible Employees employed on a specific date. All Eligible Employees employed on _____ shall become eligible to participate in the Plan as of _____

b. ☐ The Plan provides conditions or limitations on immediate participation: _____

NOTE: Describe the conditions or limitations that apply. The conditions/limitations must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

Eligibility for All Contribution Types

5. Age Requirement for Plan Participation

Mandatory/Voluntary/ Pension Contributions Mandatory After-Tax Contributions

a. Age Requirement	n/a	None
--------------------	-----	------

6. Service Requirement for Plan Participation

Mandatory/Voluntary/ Pension Contributions Mandatory After-Tax Contributions

a. No Minimum Service	<input type="checkbox"/>	<input type="checkbox"/>
b. Completion of _____ Year(s) of Eligibility Service - Elapsed Time	<input type="checkbox"/>	<input type="checkbox"/>
c. Completion of _____ Hours of Service (not to exceed 1,000) in a _____ month period (not to exceed 12; hours of service failsafe applies)	<input type="checkbox"/>	<input type="checkbox"/>
d. Completion of 1000 Hours of Service (not to exceed 1,000) within a 12-month period. The service requirement shall be deemed met at the time the specified number of Hours of Service are completed	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Completion of _____ month(s) of service - Elapsed Time	<input type="checkbox"/>	<input type="checkbox"/>

SECTION B. ELIGIBILITY

- f. Completion of _____ day(s) of service - Elapsed Time ☐ ☐
- g. Other: _____ ☐ ☐
- h. Additional Requirements: _____ ☐ ☐

NOTE: If "Other" is selected, the service requirements provided must be definitely determinable and may not be specified in a manner that is subject to Employer discretion.

NOTE: Any "Additional Requirements" provided must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

7. Entry Dates

Mandatory/Voluntary/ Pension Contributions Mandatory After-Tax Contributions

- a. Immediate ☐ ☒
- b. First day of each payroll period ☐ ☐
- c. First day of the calendar month ☐ ☐
- d. First day of each Plan quarter ☐ ☐
- e. First day of the first month and seventh month of the Plan Year ☐ ☐
- f. First day of the Plan Year ☐ ☐
- g. Other: ☐ ☐

NOTE: If B.7g is selected, the other entry date must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

8. Entry Timing for Plan Participation

An Eligible Employee shall become a Participant on the entry date that is:

Mandatory/Voluntary/ Pension Contributions Mandatory After-Tax Contributions

- a. Coincident with or next following the date the eligibility requirements are met ☐ ☐
- b. Next following the date the eligibility requirements are met ☐ ☐
- c. Coincident with or immediately preceding the date the eligibility requirements are met n/a ☐
- d. Immediately preceding the date the eligibility requirements are met n/a ☐
- e. Nearest to the date the eligibility requirements are met n/a ☐

NOTE: If B.7a. is selected, an Eligible Employee shall become a Participant eligible to make Mandatory Employee Contributions/Voluntary Contributions/Mandatory After-tax Employee Contributions immediately upon meeting the eligibility requirements.

Transfers/Rehires

9. Transfers/Rehires

- a. If an Employee either (1) upon rehire again qualifies as an Eligible Employee, (2) or if not previously an Eligible Employee who due to a change in status becomes an Eligible Employee, he shall become a Participant with respect to the contributions for which the eligibility requirements have been satisfied (Section 3.05):
 - i. ☒ as of the later of the effective date of such subsequent change of status or the date the Employee meets the eligibility requirements of this Article 3
 - ii. ☐ on the entry date as of the later of the effective date of such subsequent change of status or the date the Employee meets the eligibility requirements of this Article 3
- b. An individual who has satisfied the applicable eligibility requirements set forth in Article 3 before his rehire date, and who is subsequently reemployed by the Employer as an Eligible Employee shall resume or become a Participant (Section 3.05):
 - i. ☒ immediately upon his rehire date with respect to the contributions for which the eligibility requirements of this Article 3 have been satisfied
 - ii. ☐ on the entry date coincident with or next following his rehire date with respect to the contributions for which the eligibility requirements of this Article 3 have been satisfied

SECTION C. CONTRIBUTIONS

Voluntary Contributions

NOTE: If A.7b is "Yes" (Voluntary Contributions are permitted), an Eligible Employee who has met the requirements of B.5 through B.7 shall be eligible to make Voluntary Contributions to the Plan as follows (Section 4.01):

1. Minimum and Maximum Voluntary Contributions

- a. Minimum Voluntary Contribution: _____
- b. Maximum Voluntary Contribution: _____
- c. Other limits on Voluntary Contributions apply: _____

NOTE: C.1a and C.1b may not be more than 100% of Plan Compensation.

NOTE: If C.1c is selected the requirements provided must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

Pension - Service

NOTE: An Eligible Employee who has met the requirements of B.5 through B.7 and who has satisfied the following requirements shall be eligible to receive an allocation of Pension Contributions during the applicable Plan Year.

2. Allocation Service Requirements for Pension Contributions

- a. ☐ None
- b. ☒ In order to share in the allocation of Pension Contributions, a Participant is required to complete at least the following number of Hours of Service in the applicable Plan Year 1000
- c. ☐ In order to share in the allocation of Pension Contributions, a Participant is required to be employed by the Employer on the last day of Plan Year

- d. ☐ In order to share in the allocation of Pension Contributions, a Participant is required to be employed by the Employer on the last day of Plan Year or complete at least _____ Hours of Service in the applicable Plan Year

NOTE: C.2b and C.2c are inapplicable if C.2a or C.2d is selected.

3. Exceptions to Allocation Service Requirements for Pension Contributions

- a. ☐ A Participant whose employment terminates on the last day of the Plan Year is treated as being employed by the Employer on the last day of the Plan Year.
- b. Modify Hour of Service requirement or last day requirement for a Participant who Terminates employment with the Employer during the Plan Year due to:
- i. ☐ death
 - ii. ☐ Disability
 - iii. ☐ attainment of Normal Retirement Age
 - iv. ☐ attainment of Early Retirement Age
- c. Any Hour of Service requirement and last day requirement shall be modified as follows:
- i. ☐ Waive both the Hour of Service requirement and last day requirement
 - ii. ☐ Waive the Hour of Service requirement only
 - iii. ☐ Waive last day requirement only
- d. ☒ The following other modifications shall be made to the requirements specified in C.2-3c: No hours requirement for Full Time Eligible Employees

NOTE: Other modifications must be specified in a manner that is objectively determinable and may not be specified in a manner that is subject to Employer discretion.

Pension Contributions - Formula

4. Pension allocation formula. The Employer's Pension Contribution shall be allocated to eligible Participants who have met the requirements of B.5 through B.7 and C.2 through C.3 as follows (Section 4.03):
- a. ☐ Pro rata. In the amount of _____ to be allocated in the ratio that each Participant's Plan Compensation bears to the Plan Compensation of all eligible Participants.
 - b. ☐ Points. In the amount of _____ to be allocated as described in C.5.
 - c. ☐ Fixed Amount. In the amount of _____ to be allocated by dividing the total amount by the number of Participants eligible to share in such contribution.
 - d. ☐ Defined Groups. See C.6
 - e. ☒ Other fixed formula: 10% of Compensation

NOTE: If B.4e is selected, the other fixed formula must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

5. Pension Contribution - Points

If C.4b is selected, the Employer's Pension Contribution shall be allocated to eligible Participants who have met the requirements of B.5 through B.7 and C.2 through C.3 in the ratio that such Participant's points bears to the points of all eligible Participants.

Each Participant shall receive to the extent provided in C.5a: (a) the points described in C.5d for each year of age he has attained (as of his birthday during such Plan Year), (b) the points described in C.5c for each Plan Year, including the current Plan Year, during which he was eligible to participate in the Plan after meeting the requirements of Article 3 (regardless of any service or last day requirement in Article 4) applicable to Pension Contributions, and (c) the points described in C.5b for each \$_____ of Plan Compensation he has earned for such Plan Year.

- a. Points will be computed on basis of:
- i. ☐ Age, Service and Plan Compensation

SECTION C. CONTRIBUTIONS

- ii. ☐ Age and Service
 - iii. ☐ Age and Plan Compensation
 - iv. ☐ Service and Plan Compensation
 - v. ☐ Age Only
 - vi. ☐ Service Only
- b. Points awarded for \$_____ of Plan Compensation: _____
- c. Points awarded for each year of participation: _____
- d. Points awarded for each year of age: _____

NOTE: C.5b, C.5c and C.5d apply to the extent that C.5a provides points for Plan Compensation, Years of Service or age, respectively.

6. Pension Contribution- Defined Groups

If C.4d is selected, the Employer's Pension Contribution shall be allocated to eligible Participants who have met the requirements of B.5 through B.7 and C.2 through C.3 in an amount designated by the Employer to be allocated to each group described in C.6. The contribution for a group shall then be further allocated to the members of such group who are eligible to receive allocations of Pension Contributions in the method as specified in C.6 for such group. The amount allocated to one group need not bear any relationship to amounts allocated to any other group. The Employer shall notify the Plan Administrator in writing of the amount of contributions allocated to each group.

- a. Group One: _____ An amount equal to:
- i. ☐ A percentage of Plan Compensation _____
 - ii. ☐ A fixed dollar amount _____
 - iii. ☐ the greater of i. or ii.

NOTE: Groups must be defined in a manner that is objectively determined with no Employer discretion. Groups may not be designed so that the permanency requirement of Treas. Reg. section 1.401-1(b)(2) is violated.

NOTE: See Section 3.06 for rules regarding eligibility requirements.

7. Determination Period for Pension Contributions

- a. Pension Contributions are determined at the following time(s):
- i. ☐ End of Plan Year
 - ii. ☐ Semi-annually
 - iii. ☐ Quarterly
 - iv. ☐ Each calendar month
 - v. ☒ Each pay period
- b. Minimum and Maximum Pension Contributions
- i. ☐ Allocations of Pension Contributions for a Participant shall be subject to a minimum amount: _____
 - ii. ☐ Allocations of Pension Contributions for a Participant shall be subject to a maximum amount: _____

NOTE: Any service requirements specified in C.2 through C.3 shall be applied pro rata to the period selected in this C.7a. Any last day rule specified in C.2 through C.3 shall be applied as of the end of each period selected in this C.7a.

8. Paid Time Off

- a. ☐ The Employer will contribute a Participant's unused paid time off (vacation or sick leave) as a Pension Contribution to the Plan. Unused paid time off shall be contributed to the Plan:
- i. ☐ Each Plan Year
 - ii. ☐ Upon Termination
- b. ☐ The following limitations/conditions shall apply: _____

NOTE: Any unused paid time off where the Participant has the right to request cash payment is not eligible for contribution to the Plan under this C.8.

SECTION C. CONTRIBUTIONS

NOTE: The unused paid time off contributions must be contributed by multiplication of the Participant's current daily rate of pay against the amount of accrued unpaid leave.

NOTE: Paid time off contributions must conform with Revenue Rulings 2009-31 and 2009-32.

9. Pension - Disability

- ☐ Allocate Pension Contributions to Disabled Participants who do not meet the allocation service requirements (Section 4.03(d)). Allocations to Disabled Participants end as of the earliest of: (i) the last day of the Plan Year in which occurs the ____ anniversary of the start of the Participant's Disability or (ii) such other time specified in Section 4.03(d).

10. Collective Bargaining Agreement

- a. ☐ In addition to the formula selected in C.4, an amount necessary to meet the Employer's requirements under an applicable collective bargaining agreement shall be allocated as follows: ____
- b. The collective bargaining allocations will offset other Employer contribution allocations that would otherwise be made to a Participant:
- i. ☐ Yes - Pension contributions only
 - ii. ☐ No
 - iii. ☐ Other: ____

NOTE: C.4-7 (amount, timing, maximum and minimum Pension Contributions) will not apply to collectively bargained contributions. Collectively bargained contribution allocation timing, maximums and minimums will be determined under the collective bargaining agreement unless otherwise specified in C.10b.

Other Contributions

11. Prevailing Wage

- a. ☐ The Employer will make a prevailing wage contribution for each Participant who performs an hour or more of service under a public contract subject to the Davis-Bacon Act. The formula for allocating prevailing wage contributions shall be specified in the Prevailing Wage Addendum to the Adoption Agreement. The contribution allocated will be dependent on the Participant's job classification and the hourly rate established:
- i. ☐ by the applicable federal, state, or municipal prevailing wage laws.
 - ii. ☐ in the Prevailing Wage Addendum to the Adoption Agreement.
- b. Offset of other contributions:
- i. ☐ Any other Pension Contribution allocations that would otherwise be made to a Participant
 - ii. ☐ Other: ____

NOTE: If C.11a.ii is selected, the Prevailing Wage Addendum entry should include job classifications and applicable hourly rates. To the extent the hourly rates established in the Prevailing Wage Addendum result in a smaller contribution than is required under the applicable federal, state, or municipal prevailing wage laws, the Plan Administrator retains the discretion to make the larger contribution as the prevailing wage contribution.

12. Rollovers

Rollover Contributions are permitted (Section 4.04):

- a. ☐ No
- b. ☒ Yes - All Eligible Employees may make a Rollover Contribution even if not yet a Participant in the Plan
- c. ☐ Yes - Only active Participants may make a Rollover Contribution
- d. ☐ Yes - ____ Participants may make a Rollover Contribution

NOTE: The Plan Administrator must use its discretion in a consistent and nondiscriminatory manner.

13. Deemed IRAs

- ☐ The Plan may accept voluntary contributions to deemed IRAs (Section 4.08)

14. Death or Disability During Qualified Military Service

☐ For benefit accrual purposes, a Participant that dies or becomes Disabled while performing qualified military service will be treated as if he had been employed by the Employer on the day preceding death or Disability and terminated employment on the day of death or Disability pursuant to Code section 414(u)(9) (Section 6.02).

15. 415 Additional Language

☒ Additional language necessary to satisfy Code section 415 because of the required aggregation of multiple plans: The benefit in this Plan will be limited with regards to "annual additions" to the "maximum permissible amount" and will properly reduce any "excess amounts".

SECTION D. VESTING

Vesting Schedules

1. Pension

Pension Contribution Account Vesting Schedule:

- | | |
|---|---|
| a. <input type="checkbox"/> 100% | |
| b. <input type="checkbox"/> _____ year cliff | |
| c. <input checked="" type="checkbox"/> Other: | |
| i. Other Pension Schedule - | xii. Other Pension Schedule - |
| less than 1 year: <u>0</u> % | 11 years but less than 12 years: <u>100</u> % |
| ii. Other Pension Schedule - | xiii. Other Pension Schedule - |
| 1 years but less than 2 years: <u>20</u> % | 12 years but less than 13 years: <u>100</u> % |
| iii. Other Pension Schedule - | xiv. Other Pension Schedule - |
| 2 years but less than 3 years: <u>40</u> % | 13 years but less than 14 years: <u>100</u> % |
| iv. Other Pension Schedule - | xv. Other Pension Schedule - |
| 3 years but less than 4 years: <u>60</u> % | 14 years but less than 15 years: <u>100</u> % |
| v. Other Pension Schedule - | xvi. Other Pension Schedule - |
| 4 years but less than 5 years: <u>80</u> % | 15 years but less than 16 years: <u>100</u> % |
| vi. Other Pension Schedule - | xvii. Other Pension Schedule - |
| 5 years but less than 6 years: <u>100</u> % | 16 years but less than 17 years: <u>100</u> % |
| vii. Other Pension Schedule - | xviii. Other Pension Schedule - |
| 6 years but less than 7 years: <u>100</u> % | 17 years but less than 18 years: <u>100</u> % |
| viii. Other Pension Schedule - | xix. Other Pension Schedule - |
| 7 years but less than 8 years: <u>100</u> % | 18 years but less than 19 years: <u>100</u> % |
| ix. Other Pension Schedule - | xx. Other Pension Schedule - |
| 8 years but less than 9 years: <u>100</u> % | 19 years but less than 20 years: <u>100</u> % |
| x. Other Pension Schedule - | xxi. Other Pension Schedule - |
| 9 years but less than 10 years: <u>100</u> % | 20 years: <u>100</u> % |
| xi. Other Pension Schedule - | |
| 10 years but less than 11 years: <u>100</u> % | |

NOTE: A cliff vesting schedule means no vesting is provided until the Participant meets the number of Years of Vesting Service provided in D.1b.

NOTE: D.1b and D.1c may not be completed with a cliff vesting schedule of more than 15. However, if substantially all Participants are qualified public safety employees within the meaning of Code section 72(t)(10)(B), the limit is increased to 20.

NOTE: D.1c may provide for a graded vesting schedule of up to 5 to 20 years.

2. Other Vesting Schedule

☐ The Plan has another vesting schedule: _____

NOTE: The vesting schedule in D.2 is in addition to the vesting schedule in D.1.

NOTE: The other vesting schedule must be definitely determinable and may not be specified in a manner that is subject to Employer discretion.

Vesting Service Rules

NOTE: If D.1a is selected and D.2 is not selected, the remaining options in section D.3-7 are inapplicable.

3. Vesting Computation Period

a. ☐ Calendar year

b. ☒ Plan Year

c. ☐ The consecutive 12-month period commencing on the date the Employee first performs an Hour of Service; each subsequent consecutive 12-month period shall commence on the anniversary of such date

d. ☐ Other: _____

NOTE: D.3d must be based on creditable years of service.

4. Other Employer Service

☐ Count service with employers other than the Employer for vesting purposes. List other employers for which the service applies along with any limitations: _____

5. Vesting Exceptions (Section 6.02)

a. ☒ Death. Provide for full vesting for a Participant who Terminates employment with the Employer due to death while an Employee.

b. ☒ Disability. Provide for full vesting for a Participant who Terminates employment with the Employer due to Disability while an Employee.

c. ☒ Early Retirement. Provide for 100% vesting upon the attainment of Early Retirement Age while an Employee.

6. Vesting Exclusions

a. ☐ Exclude Years of Vesting Service earned before age 18.

b. ☐ Exclude Years of Vesting Service earned before the Employer maintained this Plan or a predecessor plan.

7. Vesting Forfeitures

a. Upon termination, nonvested account balances shall be forfeited

i. ☐ as soon as administratively feasible

ii. ☒ other timeframe: Upon a Break-in-Service defined as working less than 500 hours during the Plan Year

b. Upon receiving a distribution, the nonvested portion of the account shall be forfeited

i. ☒ as soon as administratively feasible

ii. ☐ other timeframe: _____

NOTE: The other timeframes must be definitely determinable and may not be specified in a manner that is subject to Employer discretion.

8. Forfeitures and Re-employment

a. ☐ forfeited account balances shall be restored and continue to vest (select any of the following if applicable)

i. ☐ only if the period of severance was less than or equal to the following period _____

ii. ☐ only to the extent the vested account balance was not distributed

SECTION D. VESTING

- iii. ☐ only to the extent the vested distributed account balance is restored to the Plan
- b. ☒ forfeited account balances shall not be restored
- 9. Use of Forfeitures**
- Forfeitures will be used in the following manner (Article 6):
- a. ☒ Any permissible method described in Section 6.03(d)
- b. ☐ Other: _____
- NOTE:** If D.9a is selected, forfeitures may be allocated in any manner at the discretion of the Plan Administrator.
- NOTE:** D.9b is limited to one or a combination of the options described in Section 6.03(d), may be used to further restrict the uses of forfeitures, and must be applied in a consistent and nondiscriminatory manner.
- 10. Special Vesting Provisions**
- ☒ Provide for special vesting provisions (e.g., 100% vesting as of a certain date, or to set a different vesting schedule for employees based on division): For Benefits earned after rehire, past Credited Years of Service for Vesting Purposes shall be disregarded upon incurring a Break in Service. A Break of Service is defined as a Plan Year in which a Participant incurs a Break-in-Service which is working less than 500 hours during the Plan Year. A Year of Service for Vesting Purposes is defined as a Plan Year in which a Participant works 1,000 hours.
- NOTE:** The special vesting provisions must be definitely determinable and may not be specified in a manner that is subject to Employer discretion.

SECTION E. DISTRIBUTIONS

- 1. Normal Retirement**
- Normal Retirement Age means:
- a. ☒ Attainment of age (not to exceed 65): 62
- b. ☐ Later of attainment of age _____ or the _____ anniversary of Plan participation.
- c. ☐ Other: _____
- NOTE:** Effective Plan Years beginning on or after the later of (1) January 1, 2015 or (2) the close of the first regular legislative session of the legislative body with the authority to amend the Plan that begins on or after the date that is 3 months after the final regulations are published in the Federal Register, the definition of Normal Retirement Age must satisfy Treas. Reg. section 1.401(a)-1(b) pursuant to IRS Notice 2012-29.
- 2. Early Retirement**
- Early Retirement Age means:
- a. ☐ None. The Plan does not have an early retirement feature.
- b. ☐ Attainment of age _____
- c. ☒ Later of attainment of age 55 or 5 service.
- d. ☐ Other: _____
- 3. Time of Payment (Other than Death)**
- Distributions after Termination of Employment for reasons other than death shall commence (Section 7.02):
- a. ☒ Immediate. As soon as administratively feasible with a final payment made consisting of any allocations occurring after such Termination of Employment.
- b. ☐ End of Plan Year. As soon as administratively feasible after all contributions have been allocated relating to the Plan Year in which the Participant's Account balance becomes distributable.
- c. ☐ Normal Retirement Age. When the Participant attains Normal Retirement Age.
- d. ☐ Other: _____
- NOTE:** Any entry in "Other" must comply with Code section 401(a)(9), Section 7.02(e) and other requirements of

Article 7.

4. Form of Payment (Other than Death)

Medium of distribution from the Plan:

- a. ☒ Cash only
- b. ☐ Cash or in-kind
- c. ☐ Other: _____

5. Default Form of Payment (Other than Death)

- a. Unless otherwise elected by the Participant, distributions shall be made in the form of:
 - i. ☒ Lump sum only
 - ii. ☐ Other: _____
- b. In addition to the form described in E.5a, distributions from the Plan after Termination for reasons other than death may be made in the following forms (select all that apply):
 - i. ☐ Lump sum only
 - ii. ☒ Lump sum payment or substantially equal annual, or more frequent installments over a period not to exceed the joint life expectancy of the Participant and his Beneficiary
 - iii. ☒ Partial withdrawals - a Participant may withdraw such amounts at such times as he shall elect
 - iv. ☐ Other: _____

NOTE: Any entry in E.5a.ii or E.5b.iv must comply with Code section 401(a)(9), Section 7.02(e) and other requirements of Article 7.

6. Permit Distributions as an Annuity

☒ Permit distributions in the form of an annuity

NOTE: If E.6 is selected, a Participant/Beneficiary may elect to have the Plan Administrator apply his entire vested Account toward the purchase of an annuity contract, which shall be distributed to the Participant/Beneficiary. The terms of such annuity contract shall comply with the provisions of this Plan and any annuity contract shall be nontransferable.

7. Payment upon Participant's Death

Distributions on account of the death of the Participant shall be made in accordance with the following:

- a. ☐ Pay entire Account balance by end of fifth year for all Beneficiaries in accordance with Sections 7.02(b)(1)(A) and 7.02(b)(2)(A) only
- b. ☐ Pay entire Account balance no later than the 60th day following the end of Plan Year in which the Participant dies
- c. ☒ Allow extended payments for all Beneficiaries in accordance with Sections 7.02(b)(1)(A), (B) and (C) and 7.02(b)(2)(A) and (B)
- d. ☐ Pay entire Account balance by end of fifth year for Beneficiaries in accordance with Sections 7.02(b)(1)(A) and 7.02(b)(2)(A) and allow extended payments in accordance with Sections 7.02(b)(1)(B) and (C) and 7.02(b)(2)(B) only if the Participant's spouse is the Participant's sole primary Beneficiary
- e. ☐ Other: _____

NOTE: Any entry in "Other" must comply with Code section 401(a)(9), Section 7.02(b) and other requirements of Article 7.

8. Beneficiaries

- a. Death benefits when there is no designated beneficiary:
 - i. ☐ In accordance with Section 7.04(b)
 - ii. ☒ Other: All assets will be awarded to the Participant's spouse or, if there is no spouse, to the Participant's estate.
- b. ☒ A beneficiary designation to a spouse shall be automatically revoked upon the legal divorce of the

SECTION E. DISTRIBUTIONS

Participant and the spouse.

NOTE: If "Other" is selected, must be definitely determinable and may not be specified in a manner that is subject to Employer discretion.

9. Force-Out Provisions

- a. ☒ Maximum force-out amount for purposes of Section 7.03 (not to exceed \$5,000): \$5000
 - i. ☒ Exclude amounts attributable to Rollover Contributions in determining the value of the Participant's nonforfeitable account balance
 - ii. Force-outs will be subject to the automatic rollover provisions of 7.06(c) if over: \$1000
- b. Force-out of a terminated Participant's Account balance is deferred under Section 7.03(b) until:
 - i. ☐ Later of age 62 or Normal Retirement Age - payment made in a lump sum only
 - ii. ☒ Required Beginning Date - Participant may elect payment in a lump sum or installments
 - iii. ☐ Required Beginning Date - payment made in a lump sum only

NOTE: If E.9a is less than \$1,000, E.9a.i may not be selected.

10. Required Beginning Date

Required Beginning Date for a Participant:

- a. ☒ Retirement. April 1 of the calendar year following the later of the calendar year in which the Participant attains age 70-1/2 or retires
- b. ☐ Age 70-1/2. April 1 of the calendar year following the calendar year in which the Participant attains age 70-1/2
- c. ☐ Election. The option provided in E.10a; provided that a Participant may elect to commence distributions pursuant to either E.10a or E.10b

SECTION F. IN-SERVICE WITHDRAWALS

NOTE: See Section 8.05 for limits on in-service distributions.

In-Service Withdrawals

1. Retirement

- a. ☒ Allow in-service distributions after attainment of Normal Retirement Age (Section 7.01(b)) from the following Accounts: All accounts

Other Withdrawals

2. At Any Time (Section 8.03(b))

In-service withdrawals are allowed from the following Accounts at any time:

- a. ☐ Voluntary Contribution Account
- b. ☒ Rollover Contribution Account

NOTE: If nothing is indicated, no in-service withdrawals are allowed under this Section.

3. Disability

- ☐ Allow distributions upon Disability.

4. Other Conditions/Limitations

- ☒ The following limitations, conditions or special rules apply to in-service withdrawals: Allow in-service withdrawals at age 59-1/2

NOTE: Unless otherwise specified, the limitations will apply to all in-service withdrawals (F.1 through F.3).

SECTION G. PLAN OPERATIONS

1. Permitted Investments

- a. ☐ Plan may invest in life insurance (Section 9.06)
- b. ☐ Participants may invest in a Qualifying Longevity Annuity Contract (Section 9.07)

2. Participant Self-Direction

- a. Specify the extent to which the Plan permits Participant self-direction (Section 9.02):
 - i. ☒ All Accounts
 - ii. ☐ Some Accounts
 - iii. ☐ None
- b. If "Some Accounts" is selected, a Participant may self-direct the following Accounts:
 - i. ☐ Mandatory Employee Contribution Account
 - ii. ☐ Mandatory After-tax Employee Contribution Account
 - iii. ☐ Pension Contribution Account
 - iv. ☐ Voluntary Contribution Account
 - v. ☐ Rollover Contribution Account
 - vi. ☐ Transfer Account
 - vii. ☐ Other: _____
- c. ☐ Participants may also establish individual brokerage accounts.
- d. ☐ Participants may exercise voting rights with respect to investments (Section 9.05).

3. Valuation Date

Enter Valuation Date:

- a. ☐ Last day of Plan Year
- b. ☐ Last day of each Plan quarter
- c. ☐ Last day of each month
- d. ☒ Each business day
- e. ☐ Other: _____ (Must be at least annually).

4. Plan Administration

- a. Designation of Plan Administrator (Section 10.01):
 - i. ☐ Plan Sponsor
 - ii. ☒ Committee appointed by Plan Sponsor
 - iii. ☐ Other: _____
- b. Establishment of procedures for the Plan Administrator and the Investment Fiduciary (Sections 10.01(c) and 10.02(c)):
 - i. ☒ Plan Administrator and Investment Fiduciary adopt own procedures
 - ii. ☐ Governing body of the Plan Sponsor sets procedures for Plan Administrator and Investment Fiduciary
- c. The Trustee is also the Investment Fiduciary (Section 10.02):
 - i. ☐ Yes
 - ii. ☒ No. The Investment Fiduciary is: Committee as appointed by the Plan Sponsor
- d. Type of indemnification for the Plan Administrator and Investment Fiduciary:
 - i. ☐ None - the Employer will not indemnify the Plan Administrator or the Investment Fiduciary

SECTION G. PLAN OPERATIONS

- ii. ☒ Standard according to Section 10.06
- iii. ☐ Provided pursuant to an outside agreement
- e. ☐ The following modifications shall be made to the duties of the applicable parties: _____

SECTION H. MISCELLANEOUS

Failure to properly fill out the Adoption Agreement may result in disqualification of the Plan.

The Plan shall consist of this Adoption Agreement #002, its related Basic Plan Document #02, and any Addendum to the Adoption Agreement.

The adopting Employer may rely on an opinion letter issued by the Internal Revenue Service as evidence that the Plan is qualified under Code section 401 only to the extent provided in Revenue Procedure 2017-41 and any superseding guidance. The Employer may not rely on the opinion letter in certain other circumstances or with respect to certain qualification requirements, which are specified in the opinion letter issued with respect to the Plan and in Revenue Procedure 2017-41 and any superseding guidance. In order to have reliance in such circumstances or with respect to such qualification requirements, application for a determination letter must be made to Employee Plans Determinations of the Internal Revenue Service. The Pre-Approved Plan Provider will inform the adopting Employer of any amendments made to the Plan or of the discontinuance or abandonment of the Plan. The Pre-Approved Plan Provider, CCH Incorporated, DBA ftwilliam.com may be contacted at 1245 E. Washington Ave., Ste. 101 Madison, WI 53703; 414-226-2442.

SECTION I. EXECUTION PAGE

The undersigned agree to be bound by the terms of this Adoption Agreement and Basic Plan Document and acknowledge receipt of same. The parties have caused this Plan to be executed this _____ day of _____, 2022.

SAN DIEGO CONVENTION CENTER CORPORATION:

Signature: _____

Print Name: _____

Title/Position: _____

CUSTOM LANGUAGE ADDENDUM

If a 411(d)(6) protected benefit in the Plan or a plan merged into the Plan is not either: (i) available as a provision through the Pre-Approved Plan, or (ii) the subject of a prior determination, advisory, or opinion letter, the Employer cannot rely on the Pre-Approved Plan Provider's opinion letter for qualification with respect to such benefit. If a 411(d)(6) protected benefit in the plan or a plan being merged into the Plan is not permitted in a pre-approved plan, as described in Section 6.03 of Revenue Procedure 2017-41, such provision must be discontinued no later than the date the Employer adopts this Pre-Approved Plan, in the case of a merger, the merger date shall apply only to the extent required under Code Section 411(d)(6).

The employer contribution is funded to all Full-Time employees each pay period. Part-Time employees must first complete 1000 hours during the calendar year and then the employer contribution is funded each pay period with a retroactive payment for the year while a participant.

SECURE/CARES/CAA ADDENDUM

This Addendum is intended as a good faith effort to comply with the requirements of the Further Consolidated Appropriations Act, 2020, including the SECURE Act provisions, the Coronavirus, Aid, Relief and Economic Security (CARES) Act, and the Consolidated Appropriations Act, 2021 (CAA), and corresponding guidance (the "Applicable Law"). This Addendum is to be construed in accordance with the Applicable Law and both the Addendum and the Applicable Law will supersede any inconsistent Plan provisions.

OPTIONAL PROVISIONS:

For each item below, if the check boxes are empty, the *italicized* provision will apply.

1. Qualified Birth or Adoption Distributions (see Section A. below)

The Plan does not permit qualified birth or adoption distributions as a separate distribution event.

- ☐ Effective ____ (no earlier than 01/01/2020), the Plan permits qualified birth or adoption distributions as a separate distribution event.
- ☐ The following limitations and conditions apply: ____.

2. Treatment of 2020 RMDs (see Section B. below)

Effective 01/01/2020, unless the Participant or beneficiary chooses otherwise, a Participant or beneficiary who would have been required to receive a 2020 RMD will not receive this distribution.

Effective ____ (no earlier than 01/01/2020):

- ☐ Unless the Participant or beneficiary chooses otherwise, a Participant or beneficiary who would have been required to receive a 2020 RMD will not receive this distribution.
- ☐ Unless the Participant or beneficiary chooses otherwise, a Participant or beneficiary who would have been required to receive a 2020 RMD will receive this distribution.

3. 2020 RMDs as Direct Rollovers (see Section B. below)

A direct rollover is not offered for 2020 RMDs or Extended 2020 RMDs.

For purposes of the direct rollover provisions of the Plan, the following will be treated as eligible rollover distributions in 2020:

- ☐ 2020 RMDs.
- ☐ 2020 RMDs and Extended 2020 RMDs.
- ☐ 2020 RMDs, but only if paid with an additional amount that is an eligible rollover distribution

without regard to Code section 401(a)(9)(I).

4. Portability of Lifetime Income Options (see Section F. below)

The Plan does not permit "qualified distributions" or "qualified plan distribution annuity contracts" of lifetime income investment options.

- ☐ The Plan permits "qualified distributions" or "qualified plan distribution annuity contracts" of lifetime income investment options when such investment options are no longer authorized to be held as an investment option under the Plan effective: _____ (no earlier than the plan year beginning after 12/31/2019).
- ☐ The following limitations and conditions apply: _____.

5. In-Service Withdrawals

The existing Plan provisions, if any, remain in effect for distributions to a Participant who has not separated from employment (e.g., age cannot be less than 62).

- ☒ Effective 07/31/2020 (no earlier than 01/01/2020), the Plan permits distributions to a Participant who has not separated from employment if the Participant attains: 59-1/2 (age cannot be less than 59-1/2).

STANDARD PROVISIONS:

A. Qualified Birth or Adoption Distributions

To the extent provided above, a Participant may receive a distribution up to \$5,000 during the 1-year period beginning on the date on which the Participant's child is born or on which the legal adoption by the Participant of an eligible adoptee is finalized. An eligible adoptee is any individual (other than a child of the Participant's spouse) who has not attained age 18 or is physically or mentally incapable of self-support. The \$5,000 maximum is an aggregate amount of such distributions from all plans maintained by the Employer.

B. Required Minimum Distributions

In defining Required Beginning Date or determining required minimum distributions, any references to age 70-1/2 are replaced with: age 70-1/2 (for Participants born before 07/01/1949) or age 72 (for Participants born after 06/30/1949).

Notwithstanding other provisions of the Plan to the contrary and if selected above, a Participant or beneficiary who would have been required to receive required minimum distributions in 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of 04/01/2021) but for the enactment of section 401(a)(9)(I) of the Code ("2020 RMDs"), and who would have satisfied that requirement by receiving distributions that are either: (1) equal to the 2020 RMDs, or (2) one or more payments (that include the 2020 RMDs) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancies) of the Participant and the Participant's designated beneficiary, or for a period of at least 10 years ("Extended 2020 RMDs"), may receive those distributions.

C. Distribution on Account of Death for Certain Eligible Retirement Plans

Whether before or after distribution has begun, a Participant's entire interest will be distributed to the designated beneficiary by 12/31 of the calendar year containing the tenth anniversary of the Participant's death unless the designated beneficiary meets the requirements of an "eligible designated beneficiary". An "eligible designated beneficiary" may receive distributions over the life of such designated beneficiary. If there is no designated beneficiary as of 09/30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by 12/31 of the calendar year containing the fifth anniversary of the Participant's death.

An "eligible designated beneficiary" is defined as any designated beneficiary who is: (i) the surviving spouse of the Participant; (ii) a minor child of the Participant; (iii) disabled; (iv) a chronically ill individual; or (v) an individual who is not more than 10 years younger than the Participant. The determination of whether a designated beneficiary is an "eligible designated beneficiary" is made as of the date of death of the Participant. If an "eligible designated beneficiary" dies before the portion of the Participant's interest is entirely distributed, the remainder of such portion must be distributed within 10 years after the death of such "eligible designated beneficiary".

D. Qualified Automatic Contribution Arrangement (QACA)

If a Qualified Automatic Contribution Arrangement (QACA) feature is elected, the Plan Administrator has the discretion to increase automatic elections subsequent to the initial period up to a maximum limitation of 15% of Plan Compensation.

E. Safe Harbor Notice

If the non-elective contribution method is elected for safe harbor plan exemption (including under a Qualified Automatic Contribution Arrangement), effective for Plan years beginning on or after 01/01/2020, the safe harbor notice is not required for satisfying the conditions of Code sections 401(k)(12) or 401(k)(13).

F. Portability of Lifetime Income Investments

To the extent provided above, any amounts invested in a "lifetime income investment" may be distributed through either "qualified distributions" or "qualified plan distribution annuity contracts" no earlier than 90 days prior to the date that such "lifetime income investment" may no longer be held as an investment option under the Plan.

The following terms are used in this section:

"Qualified distribution" means a direct trustee-to-trustee transfer described in Code section 401(a)(31)(A) to an eligible retirement plan (as defined in Code section 402(c)(8)(B)).

"Qualified plan distribution annuity contract" means an annuity contract purchased for a Participant and distributed to the Participant by a plan or contract described in subparagraph (B) of Code section 402(c)(8) (without regard to clauses (i) and (ii) thereof).

"Lifetime income investment" means an investment option which is designed to provide an employee with election rights which: (a) are not uniformly available with respect to other investment options under the plan, and (b) are to a "lifetime income feature" available through a contract or other arrangement offered under the plan (or under another eligible retirement plan (as so defined), if paid by means of a direct trustee-to-trustee transfer described in Code section 401(a)(31)(A) to such other eligible retirement plan).

"Lifetime income feature" means: (a) a feature which guarantees a minimum level of income annually (or more frequently) for at least the remainder of the life of the employee or the joint lives of the employee and the employee's designated beneficiary, or (b) an annuity payable on behalf of the employee under which payments are made in substantially equal periodic payments (not less frequently than annually) over the life of the employee or the joint lives of the employee and the employee's designated beneficiary.

G. Disaster or Coronavirus-Related Relief

Notwithstanding any provision of the Plan to the contrary, the Plan may grant temporary disaster or coronavirus-related relief in compliance with Code sections 1400M and 1400Q, section 15345 of the Food, Conservation, and Energy Act of 2008, section 702 of the Heartland Disaster Tax Relief Act of 2008, section 502 of the Disaster Tax Relief and Airport and Airway Extension Act of 2017, section 11028 of the Tax Cuts and Jobs Act of 2017, section 20102 of the Bipartisan Budget Act of 2018, subtitle II of Division Q of the Further Consolidated Appropriations Act, 2020, section 2202 of the Coronavirus, Aid, Relief and Economic Security Act, and Title III of Division EE of the Consolidated Appropriations Act, 2021 ("Applicable Law"). This Section only applies to the extent the Plan has provided some or all of the relief listed below in compliance with Applicable Law.

A. Qualified Distributions

- I. "Qualified Distribution" means a distribution to a qualified individual within the applicable time periods as defined in the relevant sections of Applicable Law which may not exceed \$100,000 in aggregate from all plans maintained by the Employer.
- II. If the Plan permits rollover contributions, at any time during the 3-year period beginning on the day after the Qualified Distribution was received, an individual may contribute as a rollover to the Plan an aggregate amount that does not exceed the amount of the Qualified Distribution.
- III. If the Plan permits rollover contributions, an individual who received a withdrawal for the purchase of a home, but could not use the withdrawal amount due to the disaster, may contribute as a rollover to the Plan an aggregate amount that does not exceed the amount of the withdrawal amount within the applicable time periods as defined in the relevant sections of Applicable Law.

B. Expanded Loan Provisions

- I. The maximum loan limit under Code section 72(p)(2)(A) may be applied by substituting "\$100,000" for "\$50,000" and substituting "the present value" for "one-half the present value" under the Loan Procedures for a qualified individual within the applicable time periods as defined in the relevant sections of Applicable Law.
- II. The loan repayment may be delayed for 1 year for a qualified individual within the applicable time periods as defined in the relevant sections of Applicable Law.
- III. Subsequent repayments will be adjusted to reflect the 1-year delay and any interest accrued during such delay.
- IV. The 1-year delay will be disregarded in determining the 5-year maximum term of loans under Code section 72(p)(2)(B) and (C).

H. Difficulty of Care Payments Included in Statutory Compensation

In determining the contribution limitation, Statutory Compensation will be increased by qualified foster care payments. Qualified foster care payments are difficulty of care payments excluded from gross income under Code section 131. Any contribution by the Participant which is allowable due to such increase is treated as an after-tax contribution.

I. Long-Term, Part-Time Employees

Notwithstanding any provision of the Plan to the contrary, effective for Plan years beginning after 12/31/2020, any Employee working at least 500 hours of service during each of three consecutive 12-month periods ("LTPT Employee") becomes a Participant eligible to make Elective Deferrals on the date specified in the Plan provided that he or she is an Eligible Employee and has attained the applicable age requirement, if any, on such date. No 12-month period beginning before 01/01/2021 is taken into account. Each 12-month period for which an LTPT Employee has at least 500 hours of service is treated as a year of service for vesting purposes.

The undersigned agree to be bound by the terms of the foregoing addenda to the Plan and acknowledge receipt of same. The addenda are executed this _____ day of _____, 2022.

SAN DIEGO CONVENTION CENTER CORPORATION:

Signature: _____

Print Name: _____

Title/Position: _____

Agenda Item 3.G.1

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

TO: Board of Directors

FROM: Clifford “Rip” Rippetoe, President & CEO

DATE: For the Agenda of the Board Meeting of June 22, 2022

RE: Authorization to Accept San Diego Tourism Authority “Program of Work” for FY2023

BACKGROUND

The San Diego Convention Center Corporation (“Corporation”) entered into a services contract with the San Diego Tourism Authority (“SDTA”) on January 26, 2022, to provide long-term sales and marketing services for a five-year term, beginning on July 1, 2022, and expiring on June 30, 2027. Pursuant to the terms of that agreement, the SDTA is required to provide the Corporation with an Annual Program of Work at the beginning of each fiscal year of the contract. The purpose of the Program of Work is to clearly define SDTA’s annual sales booking goals and benchmarks for each given year, marketing budget and expenses, as well as the tactics and strategies that they will undertake to achieve the required goal. SDTA is required to submit a draft of the Program of Work to the Corporation no less than ninety (90) days prior to the start of the fiscal year. The initial draft was submitted to the Corporation by SDTA in March of this year, thus meeting this required deadline. This ninety (90) day period is intended to provide both parties an opportunity to discuss and agree upon a final version of the document for approval by the Corporation’s Sales & Marketing Committee and full Board by the start of the fiscal year.

DISCUSSION

Over the past several months, The Corporation and SDTA staff have worked collaboratively on the attached Program of Work for Fiscal Year 2023. Items of note outlined in the document include:

1. Annual booking goal of 650,000 hotel room nights, with a focus on booking high impact events for the destination over the next five to seven years.
2. Benchmarks for both attendance that these events will bring to the destination, as well as food & beverage and other ancillary revenues that these future events will generate for the Convention Center. Establishing these benchmarks will help ensure that future citywide conventions are meeting the goals and objectives stated in the program of work.

3. The previously agreed upon detailed marketing budget and expenditures that the SDTA has earmarked to support the Citywide Sales effort for the fiscal year totals \$2,635,896. Although this amount is higher than in year's past, it is important to note that it includes funding for convention services support, which had previously been managed by the Corporation. Due to some existing resources which SDTA already has in place, efficiencies have been created by moving convention services from the Corporation to SDTA, which are resulting in an overall savings of approximately \$150,000 to the Corporation.
4. Key Actions that the Tourism Authority will take to ensure that SDTA achieves the established goal and benchmarks:
 - Generate hotel room nights for the destination at the right time and into the right time periods.
 - Produce the most optimal business for the SDCCC to help maximize ancillary revenues.
 - Create significant economic benefit for the region, at a level comparable to pre-Covid years.
 - Provide "Best in Class" destination services for citywide clients as they recover from the pandemic and bring their conventions to San Diego in the next few years.
 - Utilize SDTA marketing assets and Client Service team to assist clients in driving attendance.

Additionally, the Program of Work includes an executive summary, the sales staff deployment and defined roles, and a listing of all sales related activities in which the team will participate to generate business opportunities and meet their booking goals.

STAFF RECOMMENDATION

Based on the attached draft meeting the required criteria and establishing the required booking goals for the San Diego Tourism Authority sales team, Staff recommends that the attached San Diego Tourism Authority Program of Work be accepted, and that the Board of Directors authorize its approval for Fiscal Year 2023.

_____/s/
Clifford "Rip" Rippetoe
President & CEO



SDTA CITYWIDE SALES -- DRAFT FY 2023 ANNUAL PROGRAM OF WORK

SAN DIEGO CONVENTION CENTER CORPORATION



SECTIONS:

- Executive Summary
- Goals & Benchmarks
- Citywide Sales & Client Services Map / Deployment
- Line-Item Budget for FY 2023
- Overview of Unified Travel, Tradeshows, and Sales Trips



EXECUTIVE SUMMARY FY 2023

The San Diego Tourism Authority (SDTA) Citywide Sales & Client Services Team is the long-term sales & services arm for the San Diego Convention Center Corporation (SDCCC). Together with the SDCCC we generate economic impact for the City of San Diego and the region. We do this by maximizing convention center meeting space, helping to produce ancillary revenue such as **food and beverage, telecom, and internet services**, audio visual and digital advertising, booking hotel rooms in the downtown corridor and neighboring cities and lastly generating visitor spend in local restaurants, retail shops, cultural attractions and the list goes on. We are proud of the role we play in making San Diego a better place to live, work, play and meet.

The objectives for the SDTA Citywide Sales & Services team for FY 2023 are:

- Generate hotel room nights for the destination at the right time and into the right time periods.
- Produce the most optimal business for the SDCCC to help maximize ancillary revenues.
- Create significant economic benefit for the region, at a level comparable to pre-Covid years.
- Provide “Best in Class” destination services for citywide clients as they recover from the pandemic and bring their conventions to San Diego in the next few years.
- Utilize SDTA marketing assets and Client Services team to assist clients in driving attendance.



FY 2023 GOALS & BENCHMARKS

The focus of the SDTA related to Citywide sales in FY 2023 will be to ensure our booking activities are tied to the short & long-term financial success of the SDCCC by maximizing the space utilization with the most lucrative business opportunities. This will be accomplished in part by implementing the findings of the Event Scoring plan (ESP) project. ESP was conducted by an outside facilitator and included participation from the sales leadership of the SDCCC, SDTA, Grand Hyatt San Diego, San Diego Marriott Marquis Marina and Hilton Bayfront. ESP was a review of all past & potential citywide conventions that included a “score” of each based on specific metrics: event attendance, food & beverage revenue, seasonality of the event, total room nights, and booking pattern. We believe the past goals of attaining an accelerated room night goal, north of 900,000 rooms per year, needs to be revised to focus more on booking quality groups and room nights over quantity.

We will put parameters into place to ensure the goal is met, including:

- Instituting a business review process for sales leadership at the SDCCC, SDTA and key Headquarter Hotels to review opportunities, as a group, before making commitments.
- Deploy a position with a Revenue Maximization background to provide financial analysis of opportunities and focus on driving ancillary revenues to the SDCC.
- Focus more resources on filling shorter-term pockets of availability (within five years) and booking fewer, but more lucrative events outside of eight years.

With that, the goal for SDTA citywide sellers will produce 650,000 new definite rooms in FY 23. Crossover goals will be established at the end of FY 22 to provide targets of rooms to be into each of the next 10 years and one for outside of 10 years. Those goals will be cascaded down to each individual seller to ensure our team is focused on efforts to fill the most pressing dates at the SDCCC.

Aside from the room night goal, future events booked by the SDTA citywide sales team in FY23 will represent 600,000 event attendees, and \$18,000,000 in food & beverage guarantees for the Center. These benchmarks will ensure our two most important revenue drivers are considered when evaluating all future booking opportunities. Since this is the first year of additional benchmarks, the SDTA and SDCCC will work to ensure the overall revenue targets – not just these new benchmark categories – remain the focus and primary goal in FY 23. It will also assist in determining if these benchmarks are appropriate and accurate measurements in years moving forward.

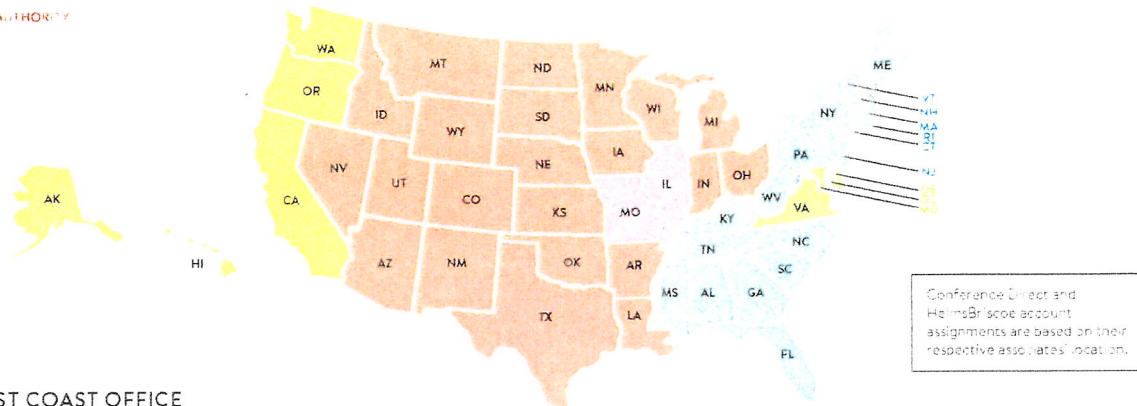
Collectively, focusing on room nights, attendance, and convention center ancillary revenues will ensure that the optimal mix of business is confirmed for the Center, to both maximize economic benefit for the region, but also help maintain the long-term financial viability of the Center.

CITYWIDE DEPLOYMENT

Our current deployment, as of March 2022, is outlined below, however we will constantly review options to ensure the most appropriate deployment is in place as determined by our business needs. We will also be reviewing the option for a Revenue Maximization role to assist with the implementation of the ESP findings.



CITYWIDE SALES TERRITORY MAP



WEST COAST OFFICE



Kavin Schieferdecker
Chief Sales Officer

kavin@sandiego.org
(619) 557-2851

MIDWEST OFFICE



Kim Borneman
National Sales Director
kborneman@sandiego.org
(619) 557-2884
Sales Territories:
AK, CA, HI, OR, WA



Angie Ranalli
Senior National Sales Director
aranalli@sandiego.org
(312) 943-5399
Sales Territories:
IL, MO, Maritz/Experient OH

EAST COAST OFFICE



Phyllis Azama
Senior National Sales Director
pazama@sandiego.org
(703) 647-6881
Sales Territories:
DE, MD, VA, DC



Dave Matta
National Sales Director
dmatta@sandiego.org
(619) 557-2871
Sales Territories:
AL, CT, FL, GA, KY, MA, ME, MS, NH, NJ, NY, NC, PA, RI, SC, TN, VT, WV, International



Open Position
National Sales Director
Sales Territories:
AR, AZ, CO, IA, ID, IL, IN, KS, LA, MI, MN, MT, NE, ND, NM, NV, OH, OK, SD, TX, UT, WI, WY



Nancy Rosenbaum
National Sales Director
nrosenbaum@sandiego.org
(619) 557-2805
Sales Territories:
DE, MD, VA, DC



Omaira Goodwin
Sales Coordinator
ogoodwin@sandiego.org
(619) 557-2873



Bailey Bollinger
Sales Coordinator
bbollinger@sandiego.org
(312) 943-5399



Joanne Matteucci
Revenue Management
jmatteucci@sandiego.org
(619) 557-2876

CITYWIDE CLIENT SERVICES



Gerrica Gray-Johnson
Senior Client Services Director
ggrayjohnson@sandiego.org
(619) 557-2875



Jacqueline Scott
Senior Client Services Director
jacqueline5@sandiego.org
(619) 557-2872

Open Position
Client Services Coordinator



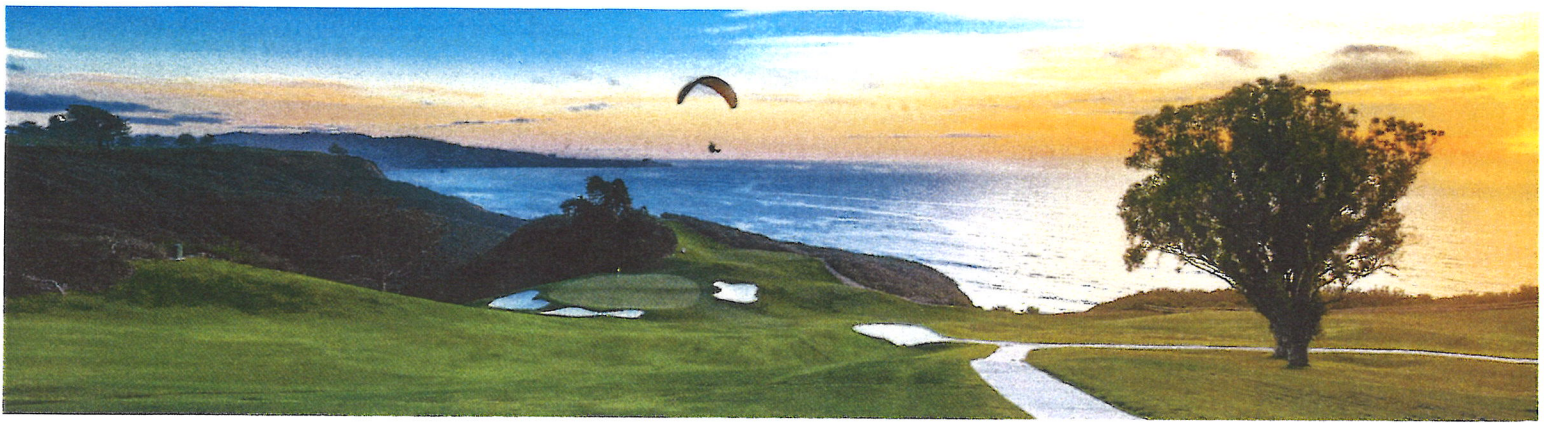
SDTA CITYWIDE SALES & MARKETING BUDGET

EXPENDITURES - TOTAL

	FY 2022 Budget	FY 2022 Forecast	FY 2023 Budget
Personnel Expenses			
Salary & Wages - Regular/Base	\$ 1,241,472	\$ 1,222,828	\$ 1,654,664
Paid Time Off	12,417	8,335	16,545
Incentive Compensation	150,868	129,274	191,125
Total Salaries & Wages	\$ 1,404,757	\$ 1,360,437	\$ 1,862,334
Payroll Taxes & Charges	92,993	90,138	121,328
Worker's Comp Insurance	10,368	9,381	13,700
Retirement Program Match	50,486	41,041	65,422
Health and Life Insurance	179,398	139,290	197,298
Total Fringe Benefits	\$ 333,245	\$ 279,850	\$ 397,748
Total Personnel Expenses	\$ 1,738,002	\$ 1,640,287	\$ 2,260,082
Non-Personnel Expenses			
Outside Professional Services	\$ 22,500	\$ 17,666	\$ 6,180
Promotional Items	2,500	1,500	2,266
Event Registration	29,360	27,800	53,596
Event Exhibit	30,200	28,000	32,445
Travel & Entertainment	84,800	87,850	222,789
Dues & Subscriptions	5,390	5,050	9,888
Office Supplies & Misc	500	400	500
Duplicating/Copying	-	350	350
Office Rent	30,412	32,650	43,500
Telephone	3,504	3,500	3,500
Postage	800	240	800
Total Non-Personnel Expenses	\$ 209,966	\$ 205,006	\$ 375,814
Total Expenses	\$ 1,947,968	\$ 1,845,293	\$ 2,635,896

Assumptions and Notes:

- Health Insurance Increases assumed at 10% upon renewal of annual policies
- Chicago office rent and other expenses split 25% to Hotel Mtg Sales and 75% to Citywide Sales
- Budget summary includes no allocation of SDTA overhead costs (i.e. Executive Management, Accounting, HR, IT, Facilities)



OVERVIEW OF UNIFIED TRAVEL, TRADESHOWS, AND SALES TRIPS

CITYWIDE AND HOTEL MEETINGS EVENTS BY MONTH:

JULY 2022

PCMA Board Meeting TBD

Angie Ranalli

PCMA Education Conference

New Orleans, LA

Nancy Rosenbaum

Angie Ranalli

TARGET: An education-focused event, this event rotates around the country attracting members primarily from that region.

AUGUST 2022

CEMA Summit

Nashville, TN

Kim Borneman

TARGET: Corporate Events Marketing Assn (CEMA) is a small but influential organization of 500 corporate event strategists, mainly in the technology industry (Cisco, IBM, Microsoft, Apple, etc).

ASAE Annual Conference

Nashville, TN

Phyllis Azama

Angie Ranalli

Hotel Meetings Team

TARGET: ASAE is the "association for associations" and this event attracts C-level positions from those groups.

SEPTEMBER 2022

PCMA Partnership Summit

Coral Gables, FL

Angie Ranalli

TARGET: The top destinations in the country attract the highest producing clients to an intimate meeting.

OCTOBER 2022

IMEX America

Dave Matta

MW Seller

Hotel Meetings Team

PCMA Board Meeting

Vienna, Austria

Angie Ranalli

NOVEMBER 2022

Midwest Roadshow Minneapolis /Indianapolis

MW Seller

Hotel Meetings Team

TARGET: Accounts based in Midwest states outside of Illinois.

Washington D.C. Marketplace Annual

Client Spa Event

Phyllis Azama

Nancy Rosenbaum

Julie Coker

Debbie Jordan

New DC Seller

TARGET: Our signature client event in Washington D.C. that attracts top clients from the association community from D.C., MD, and VA.

DECEMBER 2022

Association Forum Holiday Showcase & Annual Butch

McGuire's Holiday Breakfast

Chicago, IL

Angie Ranalli

MW Seller

Kavin Schieferdecker

Hotel Meetings Team

TARGET: One of our SDTA Signature Events in Chicago, that attracts the top Association, Intermediary and Corporate planners from the area.

IAEE Expo! Expo!

Louisville, KY

Dave Matta

TARGET: The leading authorities in B2B exhibits industry.

JANUARY 2023

PCMA Convening Leaders Annual Meeting

Columbus, OH

Phyllis Azama
Julie Coker
Kavin Schieferdecker
Kim Borneman
MW Seller
Dave Matta
Angie Ranalli
Hotel Meetings Team

TARGET: PCMA has more than 7,000 members and an audience of more than 50,000 individuals, PCMA is the world's largest network of Business Events Strategists. Our entire team attends the event due to the attendance from all over the country. ** The SDCCC will host this event in 2024.

PCMA Board Meeting

Columbus, OH

Angie Ranalli

FEBRUARY 2023

MPI NCC Annual Conference & Expo

San Francisco, CA

Kim Borneman
Hotel Meetings Team

TARGET: Meeting Planners International Northern California Chapter is an event that attracts the companies and planners in this key market.

MARCH 2023

Destination International Showcase & PCMA Visionary Awards

Washington D.C.

Phyllis Azama
Angie Ranalli
Kavin Schieferdecker
Hotel Meetings Team

TARGET: This event attracts the top planners from around the country to award their peers and raise money for the PCMA Foundation.. that attracts top clients from the association community from D.C., MD, and VA.

APRIL 2023

Annual Cubs Opener Client Event

Julie Coker
Angie Ranalli
Kavin Schieferdecker
Hotel Meetings Team

TARGET: A SDTA Signature Event that attracts 100-150 Association, Corporate and Intermediary planners to watch the important opening game of the Cubs baseball season.

Northeast Road Show

NY, Boston, Philadelphia

Dave Matta
Hotel Meetings Team

TARGET: Accounts located in the Northeast, including Corporate, Intermediary and Association.

PCMA Spring Board Meeting

Spring 2023

Washington DC

Angie Ranalli

MAY 2023

Xperience Design Project in DC

Washington D.C.

Phyllis Azama
Julie Coker
New DC Seller
Hotel Meetings Team

TARGET: XDP is a two-day, business-focused experience for association professionals and partners.

*This event may be changed to meet in conjunction with ASAE Annual Meeting.

JUNE 2023

Conference Direct Annual Meeting

TBD

Angie Ranalli
Hotel Meetings Team

TARGET: CD is one of the top producing Intermediaries, the entire CD team from around the country attend this event.

SUMMARY OF IN-MARKET MEETINGS, RECEPTIONS, EVENTS:

CHICAGO MARKETPLACE

GMC-PCMA

- Quarterly Education Meetings
- Annual Awards Gala
- Chapter Reception at PCMA Convening Leaders

Destination Rep Quarterly Meetings @ ABA, ADA, SmithBucklin

- AF CEO Reception

Association Forum

- CEO Reception
- Educational Meetings
- Annual Gala

MPI Great Lakes

- Education Summit

MPI CAC

- Quarterly Education Events

SITE

- Chicago receptions (Maria Andriola)

IAEE

- Quarterly Education Events

AHA Annual Vendor Meeting

Annual SmithBucklin Vendor Meeting

SWAP Client Events

WASHINGTON DC/VA/MD MARKETPLACE

Ongoing

Sales calls and presentations

Experient; IMN; and Smith Bucklin

Presentations once per year, usually in November

PCMA (Potomac and Chesapeake Chapters)

- Chapter reception at annual meeting
- Quarterly chapter meetings and receptions and special events
- Chapter's annual meeting in November
- Chapter committee meetings
- National Committee task force meetings

ASAE

- Quarterly education meetings and/or networking receptions
- Summit Awards Dinner, September

AMP's (Association of Meeting Professionals)

Monthly education programs and receptions

MPI

Monthly chapter education programs and luncheons

IAEE

- Monthly chapter education and networking luncheons

CVB Reps

- Every other month meetings and receptions
- Summer client reception
- Holiday client reception

Reston/Herndon Meeting Planners

- Yearly presentation at breakfast or lunch

Industry Social Events

- Book club

NEW MARKET DEVELOPMENT / Dallas, Denver, Minneapolis, San Francisco

Dallas, Minneapolis, San Francisco

Sales Missions / Road Shows & Client Events

One event per market.



CONTACT: Andy Mikschl, *Executive Vice President, Sales, San Diego Convention Center*
 Andy.mikschl@visitsandiego.com | 111 West Harbor Dr., San Diego, CA 92101
 619.525.5282

SHORT TERM BOOKING ACTIVITY

Conventions, Corporate Events, Consumer Shows, Community Events, & Local Meetings

DEFINITE		FY22 MAY 2022	FY21 MAY 2021	CUMULATIVE FYTD 2022	CUMULATIVE FYTD 2021
	EVENTS	6	2	57	20
	ATTENDANCE	109,550	6,000	229,963	64,658
	ROOM NIGHTS	6,577	0	17,071	3,139
	RENTAL REVENUE	\$374,900	\$35,975	\$1,567,764	\$484,960

FY22 PERCENT TO GOAL

Convention Center Rental Revenue

	GOAL	YTD	PERCENT TO GOAL
CONTRACTED RENTAL REVENUE	\$1,500,000	\$1,567,764	104%

San Diego Convention Center Short Term Sales June 2022 Sales Activity Report

CONTRACTED SHORT TERM EVENTS/ MAY 2022

EVENT NAME	EVENT DATES	PROJECTED ATTENDANCE	PEAK ROOMS	ROOM NIGHTS	RENTAL
Seismic Annual All Company Meeting	09/14/22	850	850	2,850	\$7,200
Crypto Business Conference	10/10/22	3,000	750	1,895	\$61,300
San Diego International Auto Show	12/30/22	100,000	220	1,000	\$194,400
San Diego Spirit Invitational	04/15/23	3,500	25	50	\$33,200
Specialty Advertising Association of California	08/16/23	1,200	155	337	\$33,200
American Society of Naval Engineers	09/06/23	1,000	200	445	\$45,600
TOTAL		109,550	2,200	6,577	\$ 374,900

San Diego Convention Center Short Term Sales Junes 2022 Sales Activity Report

CONTRACTED SHORT TERM EVENTS/ FY22 YTD

EVENT NAME	EVENT DATES	PROJECTED ATTENDANCE	PEAK ROOMS	ROOM NIGHTS	RENTAL
Electrical Training Institute Graduation	09/17/21	600	0	0	\$7,560
SD County Taxpayers Annual Golden Watchdog	10/06/21	500	0	0	\$3,240
Athletic Championships/Varsity Spirit	12/17/21	5,000	320	800	\$25,800
Encore Championships SD Showdown	02/18/22	8,200	320	800	\$33,200
CA Bridal & Wedding Expo 2021	04/30/22	5,000	0	0	\$7,700
Celebration of Life for Father Joe Carroll	08/09/21	500	0	0	\$8,720
So CA Level 3,4,5 Gymnastics Championships	11/19/21	3,000	0	0	\$14,800
SD Spirit Royale / Spirit Network	01/22/22	3,500	0	0	\$22,600
Millenials Film Shoot	09/29/21	10	6	10	\$4,000
San Diego Community Assist ICU Awards	10/23/21	250	0	0	\$1,500
The IR Show Winter 2022 / Simple Logic	01/31/22	500	100	300	\$49,800
Level 6-10 State Gymnastics Championships	03/25/22	3,000	0	0	\$15,400
X-Stem San Diego / Science Spark	04/18/22	1,600	0	0	\$10,400
San Diego Symphony Orchestra Board Dinner	11/01/21	110	0	0	\$3,240
CREtech San Diego 2022	03/22/22	1,200	200	500	\$46,437
Inside Quantum Technology 2022	05/10/22	300	50	250	\$18,900
Ameriprise Financial National Conference 2022	05/12/22	2,800	1,420	4,260	\$131,550
BPI West 2023 / Informa Connect	02/27/23	400	250	750	\$66,460
Warrior Expo West 2023 / ADS	04/05/23	5,000	275	575	\$45,600
Spirit Royal Showdown/ The Spirit Network	12/11/21	3,000	50	100	\$18,400
Sidecar Health Meeting ICW NAIC	12/12/21	6	0	0	\$1,150
Bridal Bazaar Fall 2022	08/21/22	2,000	0	0	\$11,300
San Diego Fall Home Show 2022	09/10/22	5,000	0	0	\$17,000
AKC Meet the Breeds 2022	09/10/22	10,000	90	180	\$39,200

San Diego Convention Center Short Term Sales June 2022 Sales Activity Report

CONTRACTED SHORT TERM EVENTS/ FY22 YTD (CONT)

EVENT NAME	EVENT DATES	PROJECTED ATTENDANCE	PEAK ROOMS	ROOM NIGHTS	RENTAL
Alliance of Health Care Sharing Ministries	12/12/21	15	0	0	\$1,725
Panasonic Sales Meeting	01/25/22	10	0	0	\$1,800
San Diego Tattoo Arts Festival	08/05/22	4,000	0	0	\$38,190
Navy Gold Coast Small Business Opportunity Conference	09/06/22	1,700	125	300	\$53,600
Fully Charged Live North America 2022	09/08/22	8,000	0	0	\$28,250
ASYS Group Americas Sales Mtg/ IPC APEX	01/24/22	40	0	0	\$600
Nano Dimension/Essemtec icw/ IPC APEX	01/25/22	10	0	0	\$1,800
Yugioh! Regional Qualifier/Core TCG	04/30/22	500	0	0	\$3,360
Vectrus Meeting Room ICW/ WEST 2022	02/16/22	12	0	0	\$600
Supplybank.org School Supply Kit Build	04/09/22	500	0	0	\$9,360
The Prego Expo	04/24/22	800	0	0	\$12,750
San Diego Zoo Wildlife Alliance Meeting	05/02/22	2,000	0	0	\$11,200
IWRP Quarterly Industry Day	06/07/22	400	30	60	\$6,900
IR Show Fall 2022	08/02/22	1,000	100	300	\$25,500
San Diego Spring Home Show	01/07/23	5,000	0	0	\$17,000
Art San Diego 2022	09/12/22	10,000	0	0	\$26,950
San Diego Spirit Championships	12/04/22	2,600	0	0	\$13,400
Bridal Bazaar Winter 2023	01/15/23	2,000	0	0	\$20,100
Oceanology International Americas 2023	02/17/23	2,500	100	450	\$41,025
Dragon Ball Supper Regional	05/01/22	225	0	0	\$3,360
Wellness Together 6th Annual Student M A Conference	09/14/22	975	0	0	\$42,300
JIS Delivery San Diego 2022	09/18/22	1,000	200	500	\$28,250
Regional Task Force on Homelessness Summit 2022	11/30/22	500	0	0	\$9,600
IR Show - Winter 2023	01/21/23	2,000	100	300	\$49,800

San Diego Convention Center Short Term Sales Junes 2022 Sales Activity Report

CONTRACTED SHORT TERM EVENTS/ FY22 YTD (CONT)

EVENT NAME	EVENT DATES	PROJECTED ATTENDANCE	PEAK ROOMS	ROOM NIGHTS	RENTAL
Revolution Talent Competition	03/25/23	700	0	0	\$22,400
Young Black & N' Business	04/05/23	450	0	0	\$2,400
Sharp All Staff Assembly 2023	04/20/23	12,000	0	0	\$92,687
Seismic Annual All Company Meeting	09/14/22	850	850	2,850	\$7,200
Crypto Business Conference	10/10/22	3,000	750	1,895	\$61,300
San Diego International Auto Show	12/30/22	100,000	220	1,000	\$194,400
San Diego Spirit Invitational	04/15/23	3,500	25	50	\$33,200
Specialty Advertising Association of California	08/16/23	1,200	155	337	\$33,200
American Society of Naval Engineers	09/06/23	1,000	200	445	\$45,600
TOTAL		229,963		17,071	\$1,567,764

Agenda Item 3.G



SAN DIEGO CITYWIDE SALES MAY 2022 SALES ACTIVITY REPORT

PRIMARY MARKET

Conventions, Trade Shows, Corporate & Incentive Events

DEFINITE	FUTURE YR BOOKINGS	MAY 2022	MAY 2021	CUMULATIVE FY2022	CUMULATIVE FY2021	CUMULATIVE FY2019
	CONVENTIONS	4	0	34	18	37
	ATTENDANCE	28,700	0	254,650	146,900	309,275
	ROOM NIGHTS	64,441	0	453,908	284,736	386,619

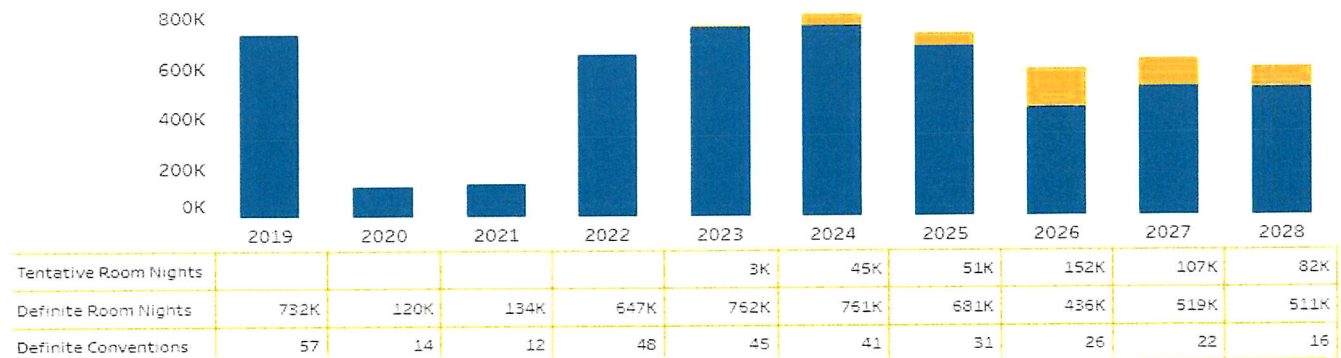
TENTATIVE	FUTURE YR BOOKINGS	MAY 2022	MAY 2021	CUMULATIVE FY2022	CUMULATIVE FY2021	CUMULATIVE FY2019
	BOOKINGS	13	3	83	52	99
	ATTENDANCE	132,100	15,000	808,650	333,781	1,279,225
	ROOM NIGHTS	177,379	16,050	991,890	562,537	1,810,770

FY2022 TOTAL ROOM NIGHTS FOR FUTURE BUSINESS

	CUMULATIVE FY2022	CUMULATIVE FY2021	CUMULATIVE FY2019
DEFINITE TOTAL ROOM NIGHTS	453,908	284,736	386,619
VARIANCE COMPARED TO FY2019	+16%	-30%	
TENTATIVE TOTAL ROOM NIGHTS	991,890	562,537	1,810,770
VARIANCE COMPARED TO FY2019	-58%	-105%	

ROOM NIGHT SUMMARY

Figures based on calendar year.

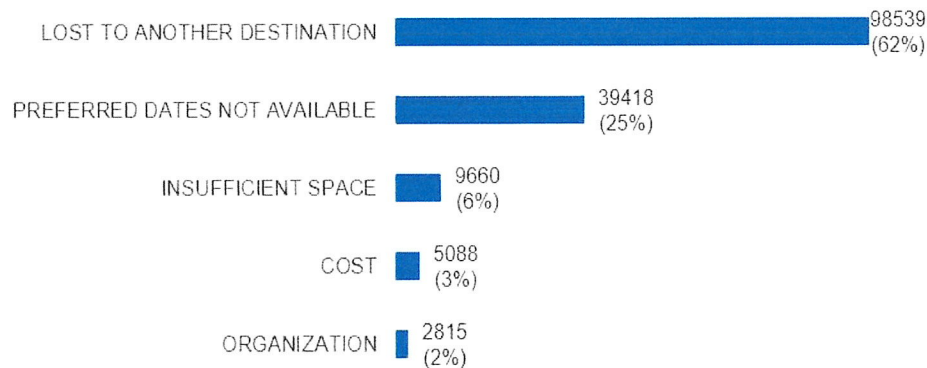


DEFINITE EVENTS BREAKDOWN*Conventions, Trade Shows, Corporate & Incentive Events booked in May 2022*

Account Name	Event Begin Date	Event End Date	Peak Room Nights	Estimated Attendance	Definite Room Nights
ZERO EMISSIONS ALLIANCE, INC.	9/7/2022	9/9/2022	1,625	3,500	6,775
HMP COMMUNICATIONS, LLC	9/18/2025	9/20/2025	1,375	2,000	5,791
WORKDAY, INC.	9/27/2027	9/30/2027	10,000	15,000	39,800
NORTH AMERICAN SPINE SOCIETY	9/25/2035	9/27/2035	3,500	8,200	12,075
Total			16,500	28,700	64,441

BREAKDOWN OF LOST BUSINESS*Conventions, Trade Shows, Corporate & Incentive Events*

LOST ROOM NIGHTS 156K

**SITE INSPECTIONS***Conducted in May 2022 by Client Services for clients considering San Diego*

Account Name	Event Date	Estimated Peak Room Nights	Estimated Attendance	Estimated Room Nights
HPN CONFIDENTIAL CLIENT	JAN 2028	1,200	2,000	5,827
INTERNATIONAL ASSOCIATION FOR THE STUDY OF LUNG CANCER	SEPT 2024	3,500	8,000	16,050

PLANNING MEETINGS

Conducted in May 2022 by Client Services for future Definite Events

Account Name	Event Begin Date	Event End Date	Estimated Peak Room Nights	Estimated Attendance	Estimated Room Nights
AMERICAN ASSOCIATION FOR THE STUDY OF LIVER DISEASES	11/16/2024	11/19/2024	24,385	9,500	5,400
AMERICAN ASSOCIATION OF ORAL AND MAXILLOFACIAL SURGEONS	9/20/2023	9/22/2023	2,250	5,000	10,000
AMERICAN SOCIETY OF CATARACT & REFRACTIVE SURGERY	5/5/2023	5/9/2023	5,500	11,000	23,000
DELOITTE TOUCHE TOHMATSU LIMITED	12/12/2022	12/14/2022	6,600	7,000	20,924
NATIONAL SAFETY COUNCIL	9/19/2022	9/22/2022	6,160	10,000	27,780
SOCIETY FOR NEUROSCIENCE	11/12/2022	11/16/2022	5,450	28,000	25,764
THE SOCIETY OF THORACIC SURGEONS	1/21/2023	1/23/2023	2,500	5,000	10,050

CLIENT APPOINTMENTS

- ALZHEIMER'S ASSOCIATION
- AMERICAN ACADEMY OF ORTHOPAEDIC SURGEONS
- AMERICAN ACADEMY OF PEDIATRIC DENTISTRY
- AMERICAN ASSOCIATION CANCER RESEARCH
- AMERICAN HEART ASSOCIATION
- AMERICAN PLANNING ASSOCIATION
- AMERICAN SOCIETY OF HUMAN GENETICS
- AMERICAN THORACIC SOCIETY
- ASSOCIATED GENERAL CONTRACTORS OF AMERICA
- ASSOCIATION OF AIR MEDICAL SERVICES
- ASSOCIATION OF AMERICAN MEDICAL COLLEGES
- BIOTECHNOLOGY INNOVATION ORGANIZATION
- BREWERS ASSOCIATION
- CABI PROGRESS IN PLANNING
- DREAMHACK
- GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA
- HEART RHYTHM SOCIETY
- HPN CONFIDENTIAL CLIENT
- ICBA
- INNOVATIS GROUP
- INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
- NATIONAL INDIAN GAMING
- SOCIETY FOR NEUROSCIENCE
- SOCIETY FOR SIMULATION IN HEALTHCARE
- SOCIETY FOR TOXICOLOGY
- SOCIETY OF CRITICAL CARE MEDICINE
- THE SOCIETY OF THORACIC SURGEONS
- SPIE
- TOM FERRY
- VETERINARY EMERGENCY AND CRITICAL CARE SOCIETY

INDUSTRY APPOINTMENTS

- CALIFORNIA COMEBACK TASK FORCE
- COLUMBUS DESTINATION CELEBRATION
- CRW-WEST COAST REPS GROUP-BOARD MEETING
- DMO MEETING
- INDUSTRY BOOK CLUB
- MPI POTOMAC CHAPTER BOARD OF DIRECTORS MEETING—
NANCY ROSENBAUM , BOARD MEMBER
- PCMA 2023 AWARDS COMMITTEE, ANGIE RANALLI, SPEAKER
- PCMA 2023 BOARD OF DIRECTORS NOMINATING COMMITTEE -
ANGIE RANALLI, SPEAKER
- PCMA BOARD OF DIRECTORS EXECUTIVE COMMITTEE MEETING -
ANGIE RANALLI, SPEAKER

Strategic Plan Development and Reporting

June 2022

- Strategic Plan Summary Report (FY22)
- Strategic Plan Finalized (FY23 & FY24)

September 2022

- Progress Report

November 2022

- Progress Report & Retreat Discussion
- Review/Add KPIs and Initiatives Through FY24

March 2023; June 2023; September 2023

- Progress Reports

November 2023

- Progress Report
- Imperatives & Timeframe Established for Next Strategic Plan

March 2024

- Progress Report

June 2024

- Strategic Plan Summary Report (FY23 & FY24)
- Next Strategic Plan Finalized (Timeframe TBD)

FY22 Progress: Grow and Nurture Culture

KPI	Department Tracking	Goal	Status
1.1 Date interim compensation philosophy established.	People and Culture	By 12/31/21	Goal achieved; planning continues for long-term philosophy.
1.2 Percentage of positions compensated within current market range.	People and Culture	100%	Goal achieved.
1.3 Percentage of recruitment cycle time targets achieved.	People and Culture	>80%	In process.
1.4 Date recruitment begins for known People and Culture vacancies.	People and Culture	By 1/1/22	Recruitment underway.
1.5 Date all People and Culture positions filled, including known vacancies and those of additional support staff.	People and Culture	By 6/30/22	Exec. Dir. position filled as of 6/22. Three more positions to fill by 1/1/23.
1.6 Date employee survey results assessed; goals set for FY23 & FY24.	People / Comms	By 6/30/22	Deferred.

Summary: To support and signify the increased emphasis on our workplace culture, we rebranded the HR department as the “People and Culture” department and discussed this focus during a series of team town halls. Working closely with Forward Talent Strategies, we have recruited a new Executive Director of People and Culture and identified the immediate need for a People and Culture Manager and HRIS Manager as key positions to rebuild the department. Once the new Executive Director has started, focus will begin on developing the employee surveys and building a training program during FY23/FY24.

To successfully recruit in this competitive labor market, we contracted with a professional Talent Management Company to bolster efforts and provide necessary resources to fill critical positions. We have boosted our recruitment marketing efforts through online ads, print materials, and presence at community job fairs. To aid employee retention, we used a compensation research database to complete a thorough review of all positions and adjust salaries to be at market rate. We are continuing to develop the long-term compensation philosophy with focus on reviews, benchmarks, performance measurements, and market conditions.

FY22 Progress: Develop a Facility Maintenance and Improvement Program

KPI	Department Tracking	Goal	Status
2.1 Hire date of Director of Planning and Development.	Procurement	By 12/31/21	Victoria Mitchell hired 12/13/21.
2.2 Date Facility Condition Assessment completed.	Procurement	By 12/31/21	Draft received, pending finalization.
2.3 Date Preventative Maintenance Program developed.	Procurement	By 3/31/22	Not yet completed.
2.4 Date Capital Improvement and Major Maintenance Program developed.	Procurement	By 6/30/22	In process.

Summary: The imperative for building maintenance and improvement falls into two segments of the lifecycle.

Planning and Development Projects: Once existing assets near end of useful life or additional assets are needed, the Planning and Development team plans for and oversees construction management projects to ensure successful completion. The assets are then commissioned and maintained by the Preventative Maintenance team. Progress:

- Hired Victoria Mitchell as Director of Planning and Development, started December 13, 2021.
- Hired Andrew Sry as Project Engineer, started April 18, 2022.
- Facility condition assessment draft completed, pending finalization.

Preventative Maintenance: Periodic inspections, maintenance, and routine repairs of our assets and building. This portion of the lifecycle is focused on maintaining what we already have during its useful life. Progress:

- Created a Facilities Engineer position, on target to begin recruiting by early July 2022.
- Converting our computerized maintenance management system (CMMS) to be cloud-based to allow real-time mobile work order management.
- Preventative Maintenance Program initiative combined into comprehensive facility and asset management program, target completion March 2023.

FY22 Progress: Build Confidence for a Safe and Effective Reopening

KPI	Department Tracking	Goal	Status
3.1 Percentage of staff compliant with vaccination and/or testing requirements.	People and Culture	100%	100%
3.2 Percentage of citywide conventions and other major revenue-generating events retained (including rescheduled events) among those booked January to June 2022.	Sales/Events	>80%	Goal met; we have retained more than 90% of events booked for this time period.

Summary: We have continued to implement and monitor COVID-19 health and safety protocols, in alignment with local, state and federal requirements. All staff are complying with vaccination and/or testing requirements.

For conventions and meetings booked between January and June 2022, we have successfully retained more than 90% of those events. Attendance has been steadily building as consumer confidence builds and travel restrictions lift.

We continue to focus on booking strategies and our operational resources to service clients based on post-pandemic needs. As we face staffing challenges, we continue to look for ways to maintain excellent customer service while producing efficiencies to streamline operations. Examples of ways to implement change include: standardizing room sets to reduce turnover costs for both clients and our corporation; evaluating rental rates and contract strategies to ensure we remain competitive; and standardizing food & beverage minimum requirements before giving rental discounts.

Now that we have been successfully open for event activity for nearly a year, since August 2021, staff recommend combining this Reopening imperative with the Business Model imperative. With this focus, we will continue to strategize how to generate greater regional impact while maintaining operational solvency and growing our internal business partner revenues.

FY22 Progress: Refine Business Model to Ensure Financial Viability

KPI	Department Tracking	Goal	Status
4.1 Number of events analyzed for actual costs of services provided.	Executive Team	>10	Analysis in process.
4.2 Percentage of strategic direction KPIs established for FY23 and FY24.	Executive Team	KPIs developed for 100% of imperatives	Planning in process; draft KPIs shared with Executive Committee in June 2022.

Summary: Sales and Finance continue to look at pre-pandemic event attributes to determine high quality events to sharpen our focus on future bookings.

We have identified some common elements that make for premium bookings of short-term business, including room nights, attendance, food and beverage commitment, tech-focused shows, consumer shows and local trade shows of at least two days that bring local attendees to the convention center. The Sales team started booking based on this criteria over the past year and continues to polish these strategy attributes. In addition, staff is beginning to implement a revised ancillary pricing model to help increase incremental short-term revenue from event activity. We are also developing new booking policies regarding the rental structure for both long-term and short-term events, specifically related to complimentary meeting room allotments and food and beverage incentives. These policies will help grow overall revenues, leading to a more sustainable long-term business model.

To guide future operations, staffing, and budgeting, our strategic planning working groups are developing KPIs and initiatives for the next two years, FY23 and FY24. These strategic plan components will be shared at upcoming board meetings to ensure our staff and board members are aligned as we further refine our business model and focus areas.

FY22 Progress: Engage the Community

KPI	Department Tracking	Goal	Status
5.1 Year-over-year social media engagement growth.	Communications	>10%	Goal achieved.
5.2 Number of media outlets covering positive SDCC initiatives.	Communications	>10	Goal achieved.
5.3 Presentations or panel discussions with SDCC team participation.	Communications	>12	Goal achieved.
5.4 Number of collaborative community activities with SDCC team participation.	People / Comms	>10	Goal achieved.

Summary: During this quarter (April-June), we continued to strengthen our community partnerships and communications, meeting or exceeding all KPIs.

- Social media: With the hiring of Dylan James as our digital communications specialist, we have enhanced our use of video and photo content, including recruitment videos, event features, staff spotlights, and Comic-Con chocolate bar sneak peeks.
- Public relations: We earned positive media coverage related to event activity and our economic forecasts, including May feature stories in the *San Diego Business Journal* and the *San Diego Union-Tribune*. IAVM published an in-depth story on our sustainability efforts in the May/June issue of *Venue Professional* magazine and named SDCC employee Renee Jung to their 30 Under 30 list. We also hosted a Transplant Games press conference, attracting significant broadcast and print media to cover the announcement of the event taking place in San Diego for the first time in summer 2022.
- Presentations: Rip Rippetoe and our team presented locally and nationally, including a series of City Council presentations and industry panel discussions.
- Community Activities: We continued to participate in community job fairs and partnership activities such as the Downtown San Diego Partnership's April tree planting initiative.

San Diego Convention Center Corporation Strategic Direction

Agenda Item 3.H.2
Draft FY23 & FY24 Plan



Purpose

The San Diego Convention Center is the region's premier gathering place, hosting conventions, trade shows and community events that economically benefit the city of San Diego and advance our convention and tourism industry.

Promise

We provide clients and guests with outstanding service, consistently exceeding expectations, so that they want to come back, over and over again, to invest in San Diego.

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.

Imperatives: FY23 & FY24

1. Grow and Nurture Culture
2. Develop a Facility Maintenance and Improvement Program (CIP, Operating Capital, and Major Maintenance)
3. Refine Business Model to Ensure Financial Viability
4. Engage the Community

1. Grow and Nurture Culture

Objectives

- Retain and recruit a high-performing team.
- Enhance employee onboarding and training to develop a consistent employee experience and a competitive workforce.
- Strengthen management by reinforcing a culture of trust, respect, and accountability.

KPIs

- By 9/22: Average time to hire is fewer than 4 weeks for part-time employees and fewer than 6 weeks for full-time employees (non-exempt).
- By 10/22: Core six People and Culture positions filled.
- By 10/22: Employee orientation program updated and in use.
- By 1/23: 80% of all budgeted positions filled and past probationary period.
- By 1/23: Core competencies defined for all positions and performance review process established.

Initiatives

- Streamline hiring and onboarding process (background checks, screening, references, employee handbook review, and mandatory training for OSHA/Harassment).
- Revamp talent development plan, inclusive of employee orientation and leadership coaching.
- Refine the performance management process to connect reviews to this plan and further establish a goals-oriented, accountable workforce. Start with Core Competencies and KPIs in job descriptions to start framework.
- Assess and implement total rewards strategy to effectively retain and motivate employees; hire compensation and benefits analyst and review annually for consistency with market value.
- Evaluate exit interviews and conduct recurring employee surveys to collect ongoing feedback about our internal culture.

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

- By 09/22: Hire Facilities Engineer.
- By 10/22: Meet with City regarding long-range capital investment strategy.
- By 12/22: Create long-range capital and major maintenance project plan.
- By 3/23: Create comprehensive facility and asset management programs.
- By 6/23: Refine CMMS to ensure all periodic inspection and maintenance work orders are configured on the appropriate recurring basis according to code.

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, project qualification and prioritization models.
- Hire Facilities Engineer and additional mid-level leadership position.
- Refine the computerized maintenance management system (CMMS) to ensure all parts, assets, and infrastructure are inventoried and appropriate periodic inspections and maintenance intervals are up to building code.
- Organize and maintain digital building plans and as-built drawings.

3. Refine Business Model to Ensure Financial Viability

Objectives

- Develop new sales criteria to ensure optimal events for the Facility and the destination.
- Optimize booking strategy to maximize in-house revenues.
- Increase event-related ancillary revenues.

KPIs

- By 10/22: New ESP scoring system used when evaluating all future SDTA booking opportunities.
- By 10/22: Utilize updated criteria for all short-term booking opportunities.
- By 1/23: Implement comprehensive tiered pricing structure and updated negotiating parameters.
- By 6/23: Increase ancillary revenues for billable labor services by 25%.

Initiatives

- Initiate competitive set rental and pricing survey to ensure our pricing and discounting model is consistent with other similar venues.
- Research potential funding sources to provide for reimbursement of rental credits.
- Continue to explore new business development opportunities, such as expanded digital advertising, to increase non-event related revenues.
- Using functionality available with new Event Management Program (VenueOps), create Pre- and Post-Event related reporting tool to improve tracking of event budgets.
- Create policy for budget, debt, and cash reserves.
- Leverage rental pricing/discounts to incentivize more spend with our in-house partners to drive larger commissions.

4. Engage the Community

Objectives

- Effectively communicate the San Diego Convention Center purpose as an economic driver and premier gathering place.
- Strengthen relationships with community, educational, and industry organizations, contributing to a vibrant and sustainable future for San Diego.
- Build understanding of the need to invest in our future, and the value of this investment.

KPIs

- 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).
- At least 75% of Leadership staff participate in community organizations or take a leadership role in a volunteer activity.

Initiatives

- Assess current staff participation in community organizations and identify opportunities for greater involvement.
- Implement a video and audio content strategy to better communicate our gathering place, our team, and events we host.
- Further collaborate with the San Diego Tourism Authority on communications and partnerships with local businesses.
- Through communications and community outreach, build local awareness of SDCC as a high-quality employer.

FY23 & FY24 KPI Reporting Grid

KPI	Department/Positions Tracking	Goal	Actual
1.1 Average time to hire is reduced to fewer than 4 weeks for part-time employees and fewer than 6 weeks for full-time employees (non-exempt).	People and Culture	By 9/22	
1.2 Core six People and Culture positions filled.	People and Culture	By 10/22	
1.3 Employee orientation program updated and in use.	People and Culture	By 10/22	
1.4 Percentage of all budgeted positions filled and past probationary period by 1/23.	People and Culture	>80%	
1.5 Core competencies defined for all positions and review process established.	People and Culture	By 1/23	
2.1 Facilities Engineer hired.	COO	By 9/22	
2.2 Meeting held with City regarding long-range capital investment strategy.	Executive Team	By 10/22	
2.3 Long-range capital and major maintenance project plan created.	COO	By 12/22	
2.4 Comprehensive facility and asset management programs created.	COO	By 3/23	
2.5 CMMS refined to ensure all periodic inspection and maintenance work orders are configured on the appropriate recurring basis according to code.	COO	By 6/23	

FY23 & FY24 KPI Reporting Grid

KPI	Department/Positions Tracking	Goal	Actual
3.1 New ESP scoring system in use when evaluating all SDTA booking opportunities.	Sales	By 10/22	
3.2 Updated criteria in use for all short-term booking opportunities.	Sales	By 10/22	
3.3 Comprehensive tiered pricing structure and updated negotiating parameters implemented.	Sales/Finance	By 1/23	
3.4 Percentage increase in ancillary revenues for billable labor services by 6/23.	Sales/Finance	>25%	
4.1 Year-over-year social media engagement growth.	Communications	>10%	
4.2 Number of major media stories per year with positive coverage of SDCC.	Communications	>25	
4.3 Presentations or panel discussions with SDCC participation.	Communications	>12	
4.4 Collaborative community activities with SDCC participation.	Communications	>12	
4.5 Percentage of Leadership staff participating in community organizations or taking a leadership role in a volunteer activity.	Communications	>75%	