

**Agenda Item 3.A**

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

**BOARD MEETING OF MARCH 29, 2023**

**BOARD MEMBERS PRESENT:** Vice-Chair Jeff Gattas and Directors Shawn VanDiver, Jaymie Bradford, Will Rodriguez-Kennedy

**BOARD MEMBER(S) ABSENT:** Chair Carlos Cota and Directors Alyssa Turowski and Carol Kim

**STAFF PRESENT:** Rip Rippetoe, Mardeen Mattix, Corey Albright, Andy Mikschl, Victoria Mitchell, 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](mailto:pat.evans@visitsandiego.com) to request a copy.

**1. Call to Order**

Vice-Chair Jeff Gattas called the Board Meeting to order at 12:02 p.m. in the Executive Boardroom of the San Diego Convention Center Corporation, 111 West Harbor Drive, San Diego, CA 92101. Vice-Chair Gattas announced he would be chairing today's meeting in Chair Cota's absence.

Vice-Chair Gattas then called roll to determine which Directors were present:

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

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

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

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

**Consent Agenda:**

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

A. **Approval of Minutes of Board Meeting of February 22, 2023**

Pat Evans, Meeting Recorder, noted a correction to the minutes. The reference to the meeting being held via teleconference was eliminated from the minutes.

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

**Director Cota – Absent**

**Director Gattas – Aye**

**Director VanDiver – Aye**

**Director Bradford – Aye**

**Director Rodriguez-Kennedy – Aye**

**Director Turowski – Absent**

**Director Kim – Absent**

**Vote: Unanimous**

**AYES: 4**

**NAYS: 0**

**ABSTENTIONS: 0**

**Action Item(s):**

Vice-Chair Gattas 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 (Carlos Cota)**

**(1) Strategic Plan Update** – Staff provided updates on the status of initiatives in the Strategic Plan which the Board approved in December 2022:

Mr. Rippetoe reported that the Board packet contains a written report regarding the status of the SDCCC Strategic Plan initiatives. He also explained the “color key” accompanying the KPIs/Milestones in the report. A “green” designation means the task is completed or on track. A “yellow” designation means that the task is delayed, and a “gray” designation means the task has been deprioritized. Mr. Rippetoe invited the initiative “owners” to present their reports.

- **Grow and Nurture Culture** – Michael Milligan and Mardeen Mattix

Michael Milligan, Executive Director of Human Resources, reported:

- The Corporation has been understaffed for some time, which has been a focal point of the Board.
- The H.R. Department has recently unveiled a revamped “Careers Page” on the website that contains a really engaging video as well as content that will differentiate the Corporation from other employers in San Diego. Kudos to Maren Dougherty and the Communications team for their work on that project. We anticipate this update to the website will be a game-changer for the Corporation.
- The Corporation recently held two on-site job fairs over the past month and combined, the Corporation has hired or will hire sixty-seven (67) new employees. That number of hires will fill two-thirds of the Corporation’s current job vacancies. The positions filled are for our Venue Operations, Public Safety and Guest Services areas. Those positions were filled in less than two months. Mr. Milligan extended appreciation to the Executive Team for their support during the process. He also thanked the Human Resources team for their contributions to the success of the hiring effort.
- The H.R. staff has also been able to reduce the time to hire employees. The original task was to reduce the hiring cycle from 99 days to 84 days. Since the end of last month, the team’s employee hiring cycle is at 62 days.
- The Corporation was also experiencing staff attrition with newly hired staff leaving the Corporation at a high rate, usually within the first three months of joining the organization. The goal was to reduce attrition from 55% to 40%. Mr. Milligan announced that as of the end of February, the attrition rate is actually 30%. The team has not only met, but eclipsed, the original goal.
- There are some tasks that are delayed in implementation and those delays are primarily due to the time H.R. staff spent focused on increasing the employee pool. The H.R. team is about a quarter behind on implementation of both a Talent Acquisition Program and the Onboarding Program.
- The last union agreement under negotiation should be completed by the end of June.

Director Kim joined the meeting at 12:15 p.m.

- **Develop a Facility Maintenance and Improvement Program** – Corey Albright

Corey Albright, Chief Operating Officer, reported:

- The first initiative, “Create long-range Capital Improvement Program (CIP) Schedule has been separated into two parts –

capital planning and maintenance planning. Capital planning and maintenance planning have two different time horizons as to when staff will be able to get to them. For example, the staff has completed the first draft of our CIP schedule; however, the maintenance schedule requires more work. There is foundational groundwork that must be laid in order to achieve a robust maintenance program where staff can be much more proactive, versus reactive, regarding repairs.

- This Department needs to fill our Electrical Engineer and Mechanical Engineer positions because filling those positions is critical to setting up the maintenance plan. We are a little behind in recruiting for those positions as technical positions are more difficult to fill. We also need to get the building codes for all of the assets the team is going to manage because the codes are very specific regarding maintenance intervals, inspection intervals and test intervals.
  - The staff is also in the evaluation stage for our new work order system which will track all proactive and, eventually, reactive maintenance and repairs. Our current CMMS system is obsolete.
  - We have filled our Maintenance Supervisor and Planner positions. We originally had two Supervisor positions open, but upon review decided we needed a third Supervisor. We were also able to fill one of the positions with a great internal candidate.
  - Our goal to Create a Comprehensive Facility and Asset Management Program has been deprioritized because we now have Director Victoria Mitchell overseeing both capital projects and maintenance. We will get to this project, but it is not as critical at this time.
  - The balance of the initiatives are on track.
- **Refine Business Model to Ensure Financial Viability** – Mardeen Mattix and Andy Mikschl

Andy Mikschl, Executive VP Sales, reported:

- Most of the initiatives related to this item are on track. Many of the initiatives are related to how the Center books business and the types of business the Center is pursuing moving forward. Those issues are specifically being addressed by SDTA and our new strategic business model which is outlined in the Program of Work with SDTA, which is currently under review by the Sales Committee. The revised/updated Program of Work will be presented to the full Board for review at the June Board meeting.
- We are on track to continue booking high quality, lucrative events that will achieve not only room night goals but revenues for the building.

- We are seeing that Center revenues are rebounding to FY 2019 levels in terms of Food & Beverage, Telecom and Audio-Visual commissions from our in-house partners.
- We have revised our booking and rental guidelines which will keep us on track to increase rental revenue by twenty percent (20%) within the coming year.

Mardeen Mattix: Chief Financial Officer, reported:

- Staff are continuing to analyze our metrics and one of the Action Items during is meeting will ask for approval to purchase software that will help us analyze those metrics.
- We are setting up the foundation for further analytics and it will take approximately one year to establish a good working model.
- Regarding the status of the marshalling yard, we are a little behind on that project because we had to extend the existing marshalling yard agreement so that we can collaborate with the City to find a sustainable long-term solution. We have the option of either purchasing land or signing a long-term lease agreement with the City or another entity.

- **Engage the Community** – Maren Dougherty and Juan Reyes

Maren Dougherty, Executive Director of Marketing and Communications, reported:

- The Communications Department has been fortunate to be fully staffed in this area and they are on track to meet or exceed the KPIs and Milestones in this category.
- Social media engagement has been really strong largely due to the levels of attendance the Center has had for events – the full return of Comic-Con along with some strong video and social photo posts. You may have seen the Lego photos and videos of the mini-Convention Center that is now at Lego Land. We should far exceed our 10% social media engagement growth goal.
- We have also had a lot of positive coverage associated with the Center’s economic impact and recognition of our team. Most recently, we successfully nominated Mardeen Mattix as “CFO of the Year.” This award resulted in a cover story and a full page in the San Diego Business Journal about Ms. Mattix’s leadership here, the Center’s economic impact and what we do at the Center.
- The Center also had a great round of coverage at the beginning of the month regarding the OFC event because they are the event that was in the building when the COVID shutdown happened at the start of the pandemic. Now the event has returned in full force.
- We are on track with presentations and community activities. We recently hosted the High School Hospitality Conference and

a Food Bank activity when the Sodexo Live! executives were holding an event on site.

- We also have another community event coming up. We are looking for volunteers to join the Chicano Federation's community distribution event next month on April 15<sup>th</sup> in North Park near the County Credit Union building. There will be an estimated 300 families coming to receive different basic needs and supplies. We will send out more information later this week, but you are welcome to participate in this event. The event will also be posted in the team's newsletter which will be distributed tomorrow. We are constantly reviewing where we can have more involvement in different areas of the community.
- The one KPI that is slightly delayed is the participation of leadership staff in purpose-driven involvement in various organizations in support of our communication objectives. Staff have been busy building up their teams with the full return of event activity. As a focus during the next quarter, we will be examining how to further engage leadership staff with community groups. We will do a full assessment with staff at the management level and above to determine where we already have volunteer involvement, where we should have more involvement, as well as where staff's individual passions may be engaged and how we can help them get involved with community associations.

Vice-Chair Gattas noted that the Corporation might want to consider adding a component of community engagement to the review process for management staff. Directors also suggested that the Corporation establish a training that assists staff with locating not only community-based volunteer opportunities, but boards and commissions staffing opportunities.

### **C. Budget Committee (Shawn VanDiver)**

Vice-Chair Gattas 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.

Director VanDiver stated that this year's proposed budget is a statement of our values, and it is a statement of what we believe is necessary for the Convention Center to continue delivering on the unique high caliber experience that our guests receive here in our City's premier diplomatic engagement venue. As you heard earlier, Ms. Mattix was honored as CFO of the year which was well deserved. This is a lot of work that she and the team put into our budget process and as Ms. Mattix gives her briefing, you will find that there is a large focus on improving the condition of the building and making the investment that we need to ensure that as we move forward, no matter what happens with the future plans for the building, are guests will have a safe, clean, and up to date facility to have their meetings and enjoy all that San Diego has to offer.

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

- Ms. Mattix reported that February was one of the exceptional months for the Corporation.
- The Center hosted two corporate events and four association trade shows. Trade shows represent our core business and are the primary reason people gather.
- The corporate business is unique in the fact that this business impacts the Corporation's bottom line and those of our in-house partners in terms of revenue generation.
- While corporate business brings economic benefit to the region, it is traditionally the trade shows and association events that really drive visitors to San Diego and impact TOT contributions to the general fund and create jobs.
- One of the corporate events not only exceeded expectations in attendance, but it also exceeded expectations in terms of telecom and food & beverage purchases.
- To date, we are looking at a cost neutral year through year end.
- The Corporation's reserves started at \$29 million at the beginning of the year and we anticipate they will end at approximately \$25 million with debt service and capital improvements directly purchased out of reserves with operational costs remaining neutral.

**Directors VanDiver and Rodriguez-Kennedy moved and seconded, respectively, to Accept the February CFO Financial Report from the Chief Financial Officer.**

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

**Vote: Unanimous**

**AYES: 5                      NAYS: 0                      ABSTENTIONS: 0**

Vice-Chair Gattas inquired if any member of the public wished to comment on Agenda Items (3.C.2) and (3.C.3). No members of the public responded to the request for comment.

**(2) Authorize Approval of Fiscal Year 2024 Budget**

**(3) Authorize Approval of FY 2024 CIP Infrastructure and O & M Projections**

**After presentations by Staff, Directors Rodriguez-Kennedy and VanDiver moved and seconded, respectively, to authorize approval of the Fiscal Year 2024 Budget and authorize approval of FY 2024 CIP Infrastructure and O & M Projections.**

**Director Cota – Absent**

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

**Vote: Unanimous**

**AYES: 5**

**NAYS: 0**

**ABSTENTIONS: 0**

Vice-Chair Gattas inquired if any member of the public wished to comment on Agenda Item (3.C.4). No members of the public responded to the request for comment.

**(4) Authorize Purchase of Business Intelligence Reporting Software**

**After presentations by Staff, Directors VanDiver and Kim moved and seconded, respectively, to Authorize the Purchase of Business Intelligence Reporting Software at a cost not-to-exceed \$150,000.**

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

**Vote: Unanimous**

**AYES: 5**

**NAYS: 0**

**ABSTENTIONS: 0**

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

Mr. Mikschl reported that SDTA presented a draft version of the Program of Work for Fiscal Year 2024 at the meeting. The Program of Work is SDCCC and SDTA’s roadmap on sales and marketing efforts for the fiscal year. The document outlines our goals, strategies and benchmarks, deployment of the SDTA team, and the budget for the tasks SDTA will be performing on SDCCC’s behalf. The Program of Work presented at today’s meeting is a draft which, pursuant to the terms of the agreement between SDCCC and SDTA, must be presented to SDCCC ninety days prior to the close of the fiscal year.

Over the next few weeks, SDCCC and SDTA will refine the document into a final format which will be presented to the full Board for approval prior to the end of the fiscal year.



The sales teams are continuing to focus on the quality of business. Our current revenues show that the revised business strategy is the right strategy not only for increased revenues, but also for the targeted room night goal for the destination. The previous room night goal was upwards of 850,000 and that goal was reduced to 650,000 which is producing more targeted short-term room nights and a strategy of not just booking business to get room nights on the books but a strategy that books the right business at the right time on the books.

At the present time, we are seeing strong corporate activity and also increased attendance at events. SDTA is on pace to meet their current fiscal year room night goal of 650,000. The short-term team's goal continues to be very selective with the types of business they are booking in order to allow time to schedule completion of capital projects over the next 18 months.

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

- Mr. Rippetoe offered Directors Governmental Affairs briefings or updates from himself, Ms. Dougherty, or Mr. Reyes at any time.
- SDCCC is assisting the local Pride organization with the 40<sup>th</sup> Anniversary Inter-Pride Conference that is scheduled for October. SDCCC is a part of the local host committee.
- The Food Bank Gala is coming up and seats may be available for Board member attendance. Staff will keep you posted.

6. **Chair's Report (Carlos Cota)** – Vice-Chair Gattas reported:

- Congratulations again to Mardeen Mattix for her award from the San Diego Business Journal as the “CFO of the Year.”
- The next Board meeting is scheduled for April 26, 2023, at Noon.

7. **Board Comment [Govt. Code § 54954.2(a) (2)]** – Director VanDiver thanked Ms. Mattix and her team for successfully completing the budget process.

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

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

I, Will Rodriguez-Kennedy, Secretary of the Board of Directors of the San Diego Convention Center Corporation, Inc., do hereby certify that the foregoing is a true and correct copy of the minutes of the business transacted by the Board of Directors of the San Diego Convention Center Corporation, Inc., at a duly noticed meeting held on March 29, 2023, and that said minutes were approved by the Board of Directors on April 26, 2023.

*[Approved at April 26, 2023 Board Meeting]*

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Will Rodriguez-Kennedy, Secretary