

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

**WEDNESDAY, OCTOBER 30, 2024, NOON  
111 W. Harbor Drive, 2<sup>nd</sup> Floor, Executive Boardroom  
San Diego, California 92101**

**AGENDA**

**Telephone number for members of the public  
to observe, listen, and address the meeting telephonically:  
1(888) 251-2909 – Access code is 6724115#**

**For Guests with Mobility Issues: The Executive Office elevator is out of service. A meeting annex has been set up in the Executive Office foyer area which will allow for meeting observation and comment.**

**1. Call to Order – Jeff Gattas, 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 August 28, 2024**

**B. Authorization to Approve Reformatted Employee Handbook with New Religious Accommodation Policy**

**4. Action Item(s):**

**A. Audit Committee (Alyssa Turowski)**

**(1) Authorization to Accept of Audited Annual Financial Report for the Fiscal Year Ended June 30, 2024**

**B. Budget Committee (Will Rodriguez-Kennedy)**

**(1) Chief Financial Officer Report**

**(2) Authorization to Contract for Elevator and Escalator Maintenance**

**(3) Authorization to Contract for Replacement of Power Transformers**

**(4) Authorization to Contract for Stormwater Repairs**

**C. Sales & Marketing Committee (Shawn VanDiver)**

5. **President's Report** (Rip Rippetoe)

6. **Chair's Report** (Jeff Gattas)

7. **Board Comment** [Govt. Code § 54954.2(a)(2)]

8. **Urgent non-agenda items** (must meet the requirements of Government Code, Section 54954.2)

9. **Closed Session**

**A. CONFERENCE WITH LABOR NEGOTIATORS**

**Pursuant to Government Code section 54957.6**

**Agency Representatives: Chair/President & CEO/Executive Director, Human Resources/General Counsel**

**Unrepresented Employee: Deputy Chief Executive Officer & Chief Financial Officer**

**B. CONFERENCE WITH LABOR NEGOTIATORS**

**Pursuant to Government Code section 54957.6**

**Agency Representatives: Chair/Executive Director, Human Resources/General Counsel**

**Unrepresented Employee: President & CEO**

**C. EMPLOYEE PERFORMANCE EVALUATION**

**Pursuant to Government Code section 54957**

**Title: President & CEO**

4. **Action Item (s) Cont.:**

**D. Executive Committee (Jeff Gattas)**

**(1) Consideration to Approve a Resolution of the San Diego Convention Center Corporation, Inc. Adopting a Job Description for the Position of Deputy Chief Executive Officer and Chief Financial Officer, Approving a Just and Reasonable Salary Range for Such Position, Authorizing the President and Chief Executive Officer to Appoint to the Position, and Authorizing the President and Chief Executive Officer to Enter into an Employment Agreement on Behalf of the Corporation**

**Adjournment**

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## Agenda Item 3.A

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

#### **BOARD MEETING AUGUST 28, 2024**

**BOARD MEMBERS PRESENT:** Vice-Chair Shawn VanDiver and Directors Will Rodriguez-Kennedy, Alyssa Turowski, Sam Nejabat and Jaymie Bradford

**BOARD MEMBER(S) ABSENT:** Directors Jeff Gattas and Gretchen Newsom

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

**ALSO PRESENT:** Jennifer Lyon, General Counsel

\*Meeting Minutes memorialize votes on “Action Items” and Staff Reports and are not a verbatim transcript of regular Board meetings. 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 Shawn VanDiver 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 VanDiver then called roll to determine which Directors were present:

**Director Gattas – Absent**  
**Director VanDiver - Present**  
**Director Bradford – Present**  
**Director Rodriguez-Kennedy – Present**  
**Director Turowski – Present**  
**Director Nejabat – Present**  
**Director Newsom - Absent**

All Directors were recorded as present except Director Jeff Gattas and Director Gretchen Newsom. Vice-Chair VanDiver noted that all votes taken during this meeting would be recorded via roll call vote.

2. **Non-Agenda Public Comment** – Vice-Chair VanDiver 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:**

A. **Approval of Minutes of Board Meetings of June 26, 2024, July 9, 2024, and “Special” Board Meeting of August 14, 2024**

Vice-Chair VanDiver 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 VanDiver 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.

**After request for public comment and for Director discussion, Directors Bradford and Rodriguez-Kennedy moved and seconded, respectively, to approve the Consent Agenda as set forth hereinabove.**

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

**Vote: Unanimous**

**AYES: 5**

**NAYS: 0**

**ABSTENTIONS: 0**

4. **Action Item(s):**

A. **Budget Committee (Will Rodriguez-Kennedy)**

(1) **Chief Financial Officer Update**

CFO Mardeen Mattix reported:

- Financial statements were not posted this month because the Corporation is in the middle of an active financial audit; however, Ms. Mattix provided an update regarding the Corporation’s financial status as of year-end for fiscal year 2024 and the first month of fiscal year 2025.
- June of fiscal year 2024 was a very busy month for the Center. The Center hosted five city-wide events and two short-term events. The Corporation ended the year with revenues exceeding budget projections by \$2.6 million.
- Most of the excess revenues were due to ancillary revenues in booth cleaning and utility commissions.
- As far as expenses are concerned, the Corporation came in under budget in every budget category except for utilities. Although utility costs were not

as bad as anticipated when reviewed at the beginning of the year, utilities exceeded budget by \$468,000 and total utility costs for the year were \$6.4 million.

- The Corporation started the year off with \$29.2 million in reserves and it is ending the year with \$29.5 million in reserves, so the Corporation was cost neutral for the year. This result will help the Corporation as we move forward in the next few years.
- In fiscal year 2025, the Corporation is not only expecting an amazing year from a revenue perspective but also from an expense and capital investment perspective.
- For the first month of the year, the Corporation is right on target. The Center hosted two large events in July and revenues and expenses are maintaining anticipated levels.
- We are projecting that reserves will end the year somewhere between \$13 million and \$15 million.

After Ms. Mattix completed her update, Vice-Chair VanDiver inquired if any member of the public wished to comment on Agenda Item (4.A.1). No members of the public responded to the request for comment. Vice-Chair VanDiver then called for Board discussion, to which there was no response. Vice-Chair VanDiver noted that this agenda item requires no vote since it is an informational item.

**(2) Authorization to Enter into A Lease Agreement for 825 Energy Way, Chula Vista, CA 91911**

Vice-Chair VanDiver called for a staff report regarding this item. After staff submitted its report, Vice-Chair VanDiver inquired if any member of the public wished to comment on Agenda Item (4.A.2). No members of the public responded to the request for comment.

Director Gattas arrived on site at 12:16 p.m.

**After presentations by Staff, request for public comment and for Director discussion, Directors Rodriguez-Kennedy and Bradford moved and seconded, respectively, to Authorize the President & CEO to finalize and execute a lease on behalf of the Corporation for 825 Energy Way, Chula Vista, CA 91911.**

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

**Vote: Unanimous**

**AYES: 6**

**NAYS: 0**

**ABSTENTIONS: 0**

Chair Gattas assumed the helm of the meeting at 12:17 a.m.

**B. Executive Committee (Jeff Gattas)**

**(1) Approval of a Resolution of the San Diego Convention Center Corporation, Inc. Approving the Fifth Amendment to the Amended and Restated Employment Agreement with the President & CEO**

Chair Gattas stated, “pursuant to Government Code section 54953, I am reading a summary of the recommendation for this agenda item. If this item is approved, it will authorize a 1% increase to the base salary of the President & CEO of the Corporation.”

Mr. Rippetoe excused himself from the meeting for this portion of the Agenda for potential conflict of interest reasons.

General Counsel Lyon then provided an overview/explanation of this agenda item.

Chair Gattas then inquired if any member of the public wished to comment on Agenda Item (4.B.1). No members of the public responded to the request for comment.

**After presentations by Staff, request for public comment and for Director discussion, Directors Turowski and Bradford moved and seconded, respectively, to Approve a Resolution of the San Diego Convention Center Corporation, Inc. Approving the Fifth Amendment to the Amended and Restated Employment Agreement with the President & CEO.**

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

**Vote: Unanimous**

**AYES: 6**

**NAYS: 0**

**ABSTENTIONS: 0**

**(2) Approval of a Resolution of the San Diego Convention Center Corporation, Inc. Creating a Deputy Chief Executive Officer & Chief Financial Officer Position for the Corporation, and Authorizing the President & CEO to create a Job Description for the Position**

Chair Gattas called for a staff report regarding this item. After staff submitted its report, Chair Gattas inquired if any member of the public wished to comment on

Agenda Item (4.B.2). No members of the public responded to the request for comment.

**After presentations by Staff, request for public comment and for Director discussion, Directors Rodriguez-Kennedy and VanDiver moved and seconded, respectively, to Approve a Resolution of the San Diego Convention Center Corporation, Inc. Creating a Deputy Chief Executive Officer & Chief Financial Officer Position for the Corporation and Authorizing the President & CEO to create a Job Description for the Position.**

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

**Vote: Unanimous**

**AYES: 6**

**NAYS: 0**

**ABSTENTIONS: 0**

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

- The Strategic Plan is moving forward as planned in the new Fiscal year. All Initiatives and objectives are on pace. A full briefing will be provided as part of the September Board meeting.
- The SodexoLive! extension agreement with SDCCC has been executed in accordance with the motion from the last Board meeting. This action extends the agreement between SDCCC and SodexoLive! through the summer of 2038.
- Mr. Rippetoe will be presenting, along with the COO of Freeman Companies, at an online seminar tomorrow hosted by the Exhibitions and Conference Alliance regarding the new rules on the electrification of forklifts in California. He will be speaking about SDCC's preparation and how we are adjusting to the new rules.
- The convention industry in North America is experiencing a strong rebound. The San Diego Convention Center led the industry. The industry as a whole is at 90% of 2019 levels. SDCCC is using our new sales strategy instead of following what the rest of the industry is doing. We are meeting or exceeding our goals.
- Events over the last month include Nurse Anesthesiology, LPL, SPIE, Navy Gold Coast, and Yardi.
- Upcoming events include Composites & Advanced Materials Expo, Twitchcon, and National Electrical Contractors Association
- Directors are all invited to the Town Halls scheduled on September 4<sup>th</sup> at either 10:30 a.m., 3:30 p.m. or 11:00 p.m.

**6. Chair's Report (Jeff Gattas)**

- Chair Gattas thanked the Board for working together on the evaluation process.

- Chair Gattas also requested an update on the hearing regarding the Convention Center Expansion which took place last week. Mr. Rippetoe reported that the hearing occurred last Friday afternoon and both sides had an opportunity to present their case to the Judge in this matter (it is a non-jury trial). The Judge in this matter has 90 days to respond.
- Chair Gattas thanked the staff for all of their hard work noting that the Convention Center team continues to outperform national trends.

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

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

There being no further business, the meeting adjourned at 12:29 p.m.

I, Alyssa Turowski, 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 August 28, 2024, and that said minutes were approved by the Board of Directors on October 30, 2024.

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Alyssa Turowski, Secretary



## Agenda Item 3.B

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

**TO:** Board of Directors

**FROM:** Alyssa Turowski, Audit Committee Chair

**DATE:** For the Agenda of October 30, 2024

**RE:** Authorization to Approve the Reformatted Employee Handbook with New Religious Accommodation Policy

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### BACKGROUND

The San Diego Convention Center Corporation (SDCC) is committed to providing a supportive and efficient work environment for all employees. To this end, we are updating our employee handbook, last revised on June 20, 2020, from 186 pages to a more accessible format of under 50 pages of content. This initiative aims to streamline communication regarding company policies and expectations during the onboarding process.

The revised handbook will serve as a comprehensive guide covering key areas such as workplace rules, employee rights, benefits, and company culture. By doing so, we aim to foster a safe and orderly work environment, ensuring clarity for both new hires and management. While the corporation builds its policy catalog, all current employee handbook policies will remain in effect until reviewed and replaced by this committee. New policies will also be developed and presented for inclusion.

### DISCUSSION

The Corporation is preparing to launch an enhanced onboarding and orientation training program for both management and new employees based on internal stakeholder feedback. Central to this initiative is the proposed modified handbook, designed to facilitate easier understanding and compliance with SDCC's policies thoroughly vetted through internal stakeholders, our employment attorney, and the unions to ensure compliance with local, state, and federal laws. Key updates to the handbook include:

- Equal Employment Opportunity and *Commitment to Diversity*
- Harassment, Discrimination & Retaliation (*Anti-Bullying & Training Provisions*)
- Rehabilitation for Alcohol or Drugs
- Lactation Accommodation
- Electronic Signature & Acknowledgment

Additionally, we propose the introduction of a **Religious Accommodation Policy**. This policy will formalize our commitment to respecting employees' religious beliefs by providing reasonable accommodation where possible, without imposing undue hardship on the organization. Although we have historically addressed these requests verbally, formalizing this process will enhance clarity and compliance.

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### STAFF RECOMMENDATION

That the Board approve the newly formatted Employee Handbook, along with the proposed policy enhancements, to develop a comprehensive and compliant onboarding process for all employees.

/s/  
Alyssa Turowski,  
Audit Committee Chair





SAN DIEGO  
convention center



# *San Diego Convention Center*

## EMPLOYEE HANDBOOK

Effective January 1, 2025



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## Welcome

Welcome to the San Diego Convention Center (SDCC) team! We are delighted you have chosen to join the team and hope you will enjoy a long and successful career with us. As an employee of SDCC, you are an important member of a team effort. We hope you will find your position with SDCC rewarding, challenging, and productive.

### 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. We are consistently ranked among the top convention centers in the nation and we have received the Venue of Excellence award from the International Association of Venue Managers (IAVM).

### Purpose & Promise

**Our Purpose:** To serve as the region's premier gathering place, hosting conventions that create economic benefits and jobs for the San Diego region, paid for by outside visitors to the destination.

**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 keep our promises, big or small.

**Service:** Any staff that is not directly serving a customer is to be serving someone who is.

**Collaboration:** We create an environment that encourages the participation and cooperation of all team members to achieve the best results.

**Courage:** We work together toward our goals despite the presence of risk, uncertainty, or fear.

**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 can explore changing the decision.

## Purpose of Handbook

This handbook sets forth and summarizes the policies and procedures that apply to all employees at SDCC. It is the responsibility of every SDCC employee to read, understand, acknowledge and follow the policies in this handbook, along with other policies and trainings that are available on and/or in [UKG](#) (our in-house Human Resources Information System) and which may be reviewed with you from time to time.

SDCC is a public entity as recognized under California law. As a public entity, it is generally subject to the requirements set forth under the Fair Labor Standards Act (FLSA). As a public entity, it is generally exempt from California Labor Code provisions governing meal and rest breaks and related statutes governing the full and timely payment of wages, and cannot be held liable for wage and hour violations and civil penalties under the Labor Code Private Attorneys General Act of 2004. Despite its public entity status, SDCC has implemented policies and procedures that often exceed the requirements under FLSA or California law. SDCC policies, including those set forth in this handbook and training(s) provided to you, are terms and conditions of your employment. If you have any questions about this handbook or any of SDCC's employment policies or trainings, please promptly direct them to your supervisor or Human Resources.

If at any time a provision in the Employee Handbook appears to contradict current practice and/or published Human Resources Policies and Procedures, please address the issue with Human Resources.

This Employee Handbook supersedes all previous employee handbooks, policies and management memoranda that have been issued on subjects covered herein. The current version of the employee handbook and other policies can be found on the front page of UKG.

The employment terms set out in this Employee Handbook work in conjunction with, and do not replace, amend, or supplement any terms or conditions of employment stated in a Collective Bargaining Agreement (CBA) that you may have with a union. Wherever employment terms in this Employee Handbook differ from the terms expressed in the applicable CBA, you should refer to the specific terms of the CBA, which will control.

## **General Employment Practices**

### **At-Will Employment Relationship**

Except for employees who are covered by a CBA, your employment with SDCC is “at-will” and may be terminated by you or SDCC at any time, with or without cause, and with or without advance notice, by the employee and/or by SDCC. Nothing in this handbook or in SDCC’s other policies shall limit SDCC’s at-will employment policy.

No employee of SDCC, except the Chief Executive Officer, has authority to enter into an agreement with an employee for employment for a specified period of time or make any agreement contrary to this policy of at-will employment. To be binding, any agreement that is contrary to at-will employment must be in writing and must be signed by both the Chief Executive Officer and the employee.

### **Right to Revise Employment Policies**

SDCC reserves the right, in its sole discretion, to revise, change, update, modify, and/or rescind its employment policies and benefits, including the provisions in this handbook, except the policy of at-will employment, at any time. SDCC will advise employees of any material changes to its policies within a reasonable time. Nothing in this handbook or any other personnel document, including benefit plan descriptions, creates or is intended to create a promise or representation of continued employment for any employee.

### **Equal Employment Opportunity and Commitment to Diversity**

SDCC 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. This commitment is embodied in company policy and the way we do business at SDCC and is an important principle of sound business management.

SDCC 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 but not limited to 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 SDCC's commitment to equal employment opportunity. Employees must promptly report any observed or suspected violations of this policy to their supervisor, to Human Resources, or to any other member of management so SDCC can investigate, respond, and take appropriate corrective action in a timely manner.

### **Harassment, Discrimination, and Retaliation Prevention**

SDCC 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 (including hair texture and protective hairstyles), 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 are 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.

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

### **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.

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. This list is illustrative only and not exhaustive. No form of harassment will be tolerated.

### **Sexual Harassment**

Sexual harassment is defined as harassment based on sex or conduct of a sexual nature, and includes harassment based on sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity, or gender expression. It may include all the actions described above as harassment, as well as other unwelcome sex-based conduct, such as unwelcome or unsolicited sexual advances, requests for sexual favors, conversations regarding sexual activities, or other verbal or

physical conduct of a sexual nature. Sexually harassing conduct need not be motivated by sexual desire and may include situations that began as reciprocal relationships, but that later cease to be reciprocal.

Sexual Harassment is generally categorized into two types:

- “Quid Pro Quo” Sexual Harassment (“this for that”)
  - Submission to sexual conduct is made explicitly or implicitly a term or condition of an individual's employment.
  - Submission to or rejection of the conduct by an employee is used as the basis for employment decisions affecting the employee.
- “Hostile Work Environment” Sexual Harassment
  - Conduct of a sexual nature or based on sex by any person in the workplace that unreasonably interferes with an employee’s work performance and/or creates an intimidating, hostile or otherwise offensive working environment. Examples include but are not limited to:
    - Unwelcome sexual advances, flirtation, teasing, sexually suggestive or obscene letters, invitations, notes, emails, voicemails, or gifts.
    - Sex, gender, or sexual orientation-related comments, slurs, jokes, remarks, or epithets.
    - Leering, obscene or vulgar gestures or making sexual gestures.
    - Displaying or distributing sexually suggestive or derogatory objects, pictures, cartoons, or posters or any such items.
    - Impeding or blocking movement, unwelcome touching, or assaulting others.
    - Any sexual advances that are unwelcome as well as reprisals or threats after a negative response to sexual advances.
    - Conduct or comments.

### **Anti-Bullying**

Bullying behavior, regardless of whether it is motivated by a protected characteristic, is also prohibited.. “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. 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.

### **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 SDCC.

Retaliation means adverse conduct taken because an individual reported an actual or perceived violation of this policy, opposed to 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.

### **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.

### **Complaint Procedures**

Any employee or applicant who experiences or witnesses behavior that they believe violates this policy, including conduct by a co-worker, supervisor, officer, agent of SDCC or non-employee, is encouraged to immediately tell the offending individual that the behavior is inappropriate and, if they feel comfortable doing so, to tell the offending individual to stop the behavior. The applicant or employee should also immediately report the alleged violation to their supervisor or to Human Resources. If the alleged offender is the employee's supervisor, the employee should report the conduct to Human Resources, to any other supervisor, manager, director and/or to the President and CEO. A complaint may be brought forward verbally, including voicemail, or in writing, and should include details of what occurred, with dates, facts and witnesses identified. Supervisors who learn of any potential violation of this policy are required to immediately report the matter to Human Resources and must follow instructions as to how to proceed.

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, SDCC may have to include others on a need-to-know basis.

SDCC expects all employees to cooperate in investigations whether as a witness, third party, complainant, or accused. Cooperation is defined as, including but not limited to, making themselves available and answering questions truthfully and completely to the best of the employee's knowledge. 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, SDCC will take immediate, appropriate, and remedial action. Any employee, regardless if they are in a supervisory or non-supervisory position, that is determined by SDCC 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”).

### **Reasonable Accommodations of Disabled Individuals**

In compliance with the applicable law, including the Americans with Disabilities Act (ADA), the Pregnant Workers Fairness Act (PWFA) and the California Fair Employment and Housing Act (FEHA), SDCC will provide reasonable accommodation to otherwise qualified applicants or employees with known physical or mental disabilities or known medical conditions except where it would result in an undue hardship to SDCC. As part of this commitment, SDCC will endeavor to participate in a timely, good faith, interactive process with a disabled applicant and/or employee to identify any effective reasonable accommodations that can be made in response to a request for reasonable accommodation. Applicants or employees that require a reasonable accommodation due to a disability should immediately contact their supervisor or Human Resources. SDCC may require an applicant or employee to provide reasonable medical documentation from a healthcare provider that confirms the existence of a disability and the need for reasonable accommodation, as authorized by applicable law. By working together in good faith, SDCC hopes to implement any reasonable accommodations that are appropriate and consistent with its legal obligations.

### **Religious Accommodation**

SDCC will make every effort to provide reasonable accommodation for an applicant or employee’s sincerely held religious beliefs or observances, including religious dress and grooming practices and work schedule conflicts, except where doing so would cause an undue hardship to SDCC. An applicant or employee whose religious beliefs or practices conflict with the employee’s work schedule, SDCC’s policy or practice on dress and appearance, or other aspects of the job, and who seeks a religious accommodation, must make a request for accommodation to their supervisor or Human Resources (preferably in writing). SDCC will consider and respond to the employee’s request consistent with its legal obligations and an applicable CBA. SDCC will not retaliate against an employee for requesting a reasonable accommodation and will not tolerate or permit retaliation by management or co-workers.

For more information regarding this program, please refer to the Religious Accommodation Policy on the homepage of UKG.

### **Lactation Accommodation**

SDCC accommodates lactating employees by providing a reasonable amount of break time each time the employee has a need to express breast milk. When possible, the break time should coincide with the paid rest time already provided to the employee or during the employee’s unpaid meal break. If not, the break time will be provided, but will be unpaid. Employees may be asked to clock-out for any extended period of time needed beyond the typical 15-minute breaks to express milk.

A private space (other than the restroom) that is legally compliant will be provided in close proximity to the employee’s work area as practical so that the employee can express milk in private. Employees with private offices may be required to use their offices to express breast milk if it otherwise meets the requirements for a lactation space.

Employees who desire lactation accommodations should contact their supervisor or Human Resources to request an accommodation. An employee’s request may be provided verbally, by email, or in writing,

and need not be submitted on a specific form. We will engage in an interactive process with you to determine when and where lactation breaks will occur. If we cannot provide break time or a location that complies with this policy, we will provide a written response to your request.

SDCC will not tolerate discrimination or retaliation against employees who exercise their rights to lactation accommodation, including those who request time to express milk at work and/or who lodge a complaint related to the right to lactation accommodation. If you believe you have been denied reasonable break time or adequate space to express milk or have been otherwise been denied your rights related to lactation accommodation, you have the right to file a complaint with the California Labor Commissioner.

### **Rehabilitation for Alcohol or Drugs**

SDCC will reasonably accommodate any employee who wishes to voluntarily enter and participate in an alcohol or drug rehabilitation program, provided that this reasonable accommodation does not impose an undue hardship on SDCC. Time off under this policy is unpaid, however, an employee may use accrued Paid Time Off (PTO) while on leave. If an employee requests time off to participate in an alcohol or drug rehabilitation program, SDCC will make reasonable efforts to keep the employee's program enrollment confidential. Employees should contact their supervisor or Human Resources regarding SDCC's Employee Assistance Program (EAP) for additional resources. Reasonable accommodation under this policy does not prohibit SDCC from refusing to hire, or discharging an employee who, because of the employee's current use of alcohol or drugs, is unable to perform their duties, or cannot perform the duties in a manner which would not endanger their health or safety or the health or safety of others. Employees who need an unpaid leave of absence must submit a completed SDCC's Leave of Absence Request form to Human Resources via their supervisor for consideration.

### **New Hire Orientation**

New Hire Orientation provides new employees with information to familiarize them with SDCC's Purpose and Promise, Culture, and Core Values. Furthermore, the orientation will provide the new employee with training designed to ensure policy adherence and regulatory compliance.

### **Introductory Period**

SDCC's goal is to create an environment of openness and support by setting clear expectations and providing feedback for employees from the start of their employment relationship and throughout the introductory period with built-in accountability. If performance doesn't meet expectations, Departments will have constructive discussions with employees, giving documented feedback on areas for improvement when addressing violations to foster effective communication and optimize performance. SDCC strives to develop and optimize an engaged workforce in order to fulfill our purpose and promise.

Employment with the San Diego Convention Center Corporation is "at will" and may be terminated by the Corporation or the employee at any time during or after their introductory period. Unless stated differently in a CBA, the introductory period for employees is defined as the first six (6) months of employment. All new and promoted employees will generally receive a performance evaluation at the end of their introductory period.

### **Immigration Law Compliance**

SDCC employs only United States citizens and non-citizens who are legally authorized to work in the United States. SDCC does not discriminate based on citizenship or national origin. In compliance with the

Immigration Reform and Control Act of 1986, and as a condition of employment, each new employee must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must complete the form if they have not completed an I-9 with the company within the past three years, or if their previous I-9 is no longer retained or valid. All new employees must produce appropriate documentation establishing their identity and authorization to work within three (3) business days of hire. Those unable to produce documentation or a receipt for an approved document within that time frame will not be allowed to begin/continue employment. Employees are required to maintain current authorization to work in the United States and present authorization to work documents on or before the date their authorization expires.

### **Employment Classification**

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

**Exempt:** Exempt employees are paid on a salaried basis, are not eligible to receive overtime pay, and are not subject to meal and rest period provisions.

**Nonexempt:** Nonexempt employees are paid on an hourly basis, are eligible to receive overtime pay for overtime hours worked, and are provided with meal and rest breaks.

**Full-Time Employee:** An employee who works a minimum of 40 hours weekly and maintains continuous employment status. These employees are eligible for the full-time benefits package and are subject to the terms, conditions, and limitations of each benefits program and, if applicable, their CBA.

**Part-Time Employee:** An employee who works a varied schedule that fluctuates according to staffing needs in the facility. Part-time employees generally work less than 40 hours per week. Part-time employees are only eligible for statutory benefits offered by SDCC in accordance with the Affordable Care Act for medical coverage only and are subject to the terms, conditions, and limitations of each benefits program and, if applicable, their CBA.

**New Hire Employee:** An employee who has no prior work history with SDCC. The employee's date of hire will be their anniversary date for benefit eligibility and accruals.

**Reinstated Employee:** An employee who is granted continuous service from their original or most recent date of rehire. The reinstated employee's restored original date of hire, or most recent date of rehire, is the anniversary date for benefit eligibility and accruals. Employees will be reinstated with prior service under the following conditions:

- Laid off due to a reduction in force after completing six (6) months of service.
- On a layoff for one (1) year or less.
- Released to enter the Armed Forces on active duty. Reinstatement will be under applicable laws if the employee entered the Armed Forces within a reasonable length of time from the date of termination (typically, 30 days), and if application for reinstatement is made within 90 days after discharge from active duty. If not re-employed upon application, the employee will be laid off and will be eligible for subsequent reinstatement.

- Employee voluntarily resigns in good standing and applies for reinstatement within 30 days from the last day worked and the position has not yet been filled.

**Rehired Employee:** A previously employed employee will be classified as a rehired employee if the employee does not otherwise qualify as reinstated. The employee's most recent date of rehire is the anniversary date for benefit eligibility and accrual, except that prior credited service under the Money Purchase Pension Program may be reinstated as defined in the plan document.

### **Job Description**

Employees new to the organization or new to a particular position are provided a copy of their job description. Job descriptions generally contain information such as the position title, department, and reporting relationships, the essential duties and responsibilities of the job, the knowledge, skills, and abilities required for the job, and the minimum and preferred qualifications. Employees are required to read and understand the responsibilities and duties of their positions. Employees who have questions about their job descriptions should ask their supervisor as soon as possible.

### **Personnel Records**

Each employee is responsible for updating their personal information in UKG, including changes in address, telephone number, direct deposit information, emergency contact, and/or personal email. All changes regarding family status (births, marriage, death, divorce, legal separation, etc.) must be submitted to [benefits@visitsandiego.com](mailto:benefits@visitsandiego.com) within 30 days of the change because these changes may affect an employee's income tax status and/or group insurance coverage. Pursuant to applicable laws, Human Resources maintains employee personnel records in a confidential manner and permits current and former employees to review their personnel records. Employees who wish to review their personnel records should contact [employee.relations@visitsandiego.com](mailto:employee.relations@visitsandiego.com) and complete a personnel record request form. A current or former employee has the right to inspect and receive a copy of their personnel records relating to the employee's performance or to any issue concerning the employee, subject to certain exceptions. Current employees are allowed to review their personnel records at reasonable times and intervals during non-working hours, within 30 calendar days of Human Resources receiving the employee's request. SDCC is required to comply with only one request per year by a former employee. If a current or former employee requests copies of personnel records subject to inspection, SDCC will provide copies within 30 calendar days at a charge not to exceed the actual cost of reproduction. In addition to the personnel records discussed above, upon a written request, SDCC will permit a current or former employee to inspect or receive a copy of their payroll records, as defined by California law. This request will be complied with as practicable, but no later than 21 calendar days from the date of the request.

### **Verification of Employment**

All requests for references for both current and former employees should be directed to Human Resources. No other manager, supervisor or employee is authorized to release employment references. Unless there is a signed authorization on file, Human Resources may disclose only the dates of employment and the last position held by the employee.

### **Electronic Signatures and Acknowledgments**

From time to time, SDCC requires employees to utilize electronic signatures and/or acknowledgments for company business. This may include, but is not limited to, notifications regarding employment, compensation, benefits, payroll, updated policies and procedures, trainings, and company

announcements. All employees are required to (1) utilize such electronic signatures/acknowledgment, where requested and (2) agree they are the equivalent of a handwritten signature and are valid and legally binding on the employee to the fullest extent permissible under applicable law.

### **Employee Communications**

From time to time, SDCC may send company-related information to an employee's personal contact information, including their home address and/or personal email address. Employees agree to receive company-related information at their home address and/or personal email address they have on file with SDCC. Examples of information sent generally involve benefits-related information, such as open enrollment reminders and documents and retirement related documents. However, SDCC will only send (via text) company-related information to an employee's personal mobile phone number upon an employee's written request and only if they have a home address and/or personal email address on file with SDCC. Employees agree that the costs they incur of voluntarily receiving texts regarding company-related information via their personal mobile phone number shall be borne exclusively by the employee and are not reimbursable.

### **Employment of Relatives**

SDCC does not permit the employment, transfer, or promotion of individuals into positions where one employee would work under the supervision of a relative in the same hierarchy where their progress or assignment could be influenced by a relative, or where individuals would be considered interdependent with a position occupied by a relative (i.e., Procurement and Accounts Payable). In the event a transfer to another appropriate position is not possible, one of the employees will be required to separate from SDCC. The decision as to which employee leaves SDCC will be determined by the parties involved and must be made within a reasonable timeframe as deemed by SDCC.

"Relatives" is defined to include but is not limited to spouse, domestic partner, parents, stepparents, grandparents, children, stepchildren, children of domestic partners, brothers, sisters, step-brothers and sisters, grandchildren, aunts, uncles, nieces, cousins, nephews and in-laws.

## **Compensation and Timekeeping**

### **Compensation**

SDCC strives to pay wages and salaries that are market competitive with those in the community and industry and considers the experience of the candidate with the goal of recognizing individual effort and contribution to SDCC's success. Questions regarding an employee's wage or salary range should be directed to their supervisor first or, if needed, by following the chain of command. It is the policy of SDCC that compensation is generally established at the market value of the position or as negotiated and defined in the employee's applicable CBA. Factors used in determining placement of employees in the salary range include years of relevant experience, specific skills set relevant to the position, and internal equity. Specific positions may be benchmarked at a higher market position depending on specific recruitment and retention factors. As provided by federal and California equal pay laws, SDCC does not discriminate between individuals of the opposite sex or different races and ethnicities in compensation for equal or substantially similar work. An employee who has a concern regarding equal pay should bring this to the attention of Human Resources.

All compensation and employee pay details are subject to public disclosure in accordance with applicable laws and regulations. By accepting employment with the San Diego Convention Center, you acknowledge and consent to the public disclosure of your compensation information as required by law.



### **Timekeeping**

SDCC is committed to fairly and accurately compensating its employees for all time worked. Accurate time records ensure that employees are paid correctly and receive full credit for their working time.

Employees are never permitted to work “off-the-clock,” including before they clock in at the start of their shift, after they clock out at the end of their shift or during any meal or rest break. Employees are prohibited from working outside of their scheduled hours without supervisor approval and unless they are clocked in. If, in a rare situation, urgent business conditions require an employee to work outside of scheduled hours without prior approval, the employee must record the time worked and will be paid for it.

Excluding meal and rest periods, employees who wish to leave the facility during working hours for any reason other than company business must obtain approval from their supervisor. In these instances, for safety and operational reasons, employees must clock out when leaving work, and clock in upon return.

Employees are prohibited from:

- Sharing their individual employee username and/or password.
- Asking another employee to clock in or out for the employee, other than the supervisor.
- Clocking in or out for another employee.
- Falsifying their time records.
- Working “off the clock,” i.e., before clocking in or after clocking out.
- Using a mobile device to clock in/out unless they have authorization from a supervisor.

Violations of this policy may result in disciplinary action, up to and including termination of employment. Any employee who believes that this policy has been violated in any way should report the suspected violation to the employee’s supervisor or through the chain of command. SDCC will not tolerate retaliation for any good faith report of suspected violation or inquiry regarding this or any other policy.

### **Workweek and Hours of Work**

SDCC operates on a twenty-four (24) hour, seven (7) days per week basis. The workweek begins on Saturday at 12:00 a.m. and ends on Friday at 11:59 p.m.

### **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, or as indicated in a CBA for covered employees. Overtime is based on the regular rate of pay, which is the compensation an employee earns for the work they perform. The regular rate of pay includes a number of different kinds of remuneration, such as hourly earnings and shift differentials. Paid leave, such as holiday, paid sick leave, and paid vacation leave does not apply toward work time, unless stipulated as such in a CBA.

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 SDCC policy and may lead to disciplinary action, up to and including termination.

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

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 Human Resources. Falsification of any timecard may result in disciplinary action, up to and including termination.

### **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 by mutual consent of the employee and supervisor. A meal period waiver, which is located on the home page of UKG, must be in writing and signed in advance by the employee and their supervisor. The employee may revoke the meal period waiver at any time by notifying their supervisor in writing.

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 must not perform any work during your meal period. You are free to leave your designated work area during your meal periods, but you must resume work promptly after your meal period ends.

Working lunch meetings are considered working hours for all employees. Any employees who attend such meetings will be paid in accordance with applicable law. Meal periods are unpaid except in rare circumstances when the nature of the position requires that an employee remain “on the clock” during a scheduled meal period, and the employee is unable to take their meal period. Under these circumstances, the employee shall be paid and will receive a meal period premium for the missed meal period.

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 Human Resources.

### **Rest Periods**

All nonexempt employees are authorized, permitted, and required to take a 15-minute rest period every four (4) hours worked or major fraction thereof. At SDCC, 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 Human Resources.

### **Reporting Time**

If an employee is scheduled to work, but is dismissed before half of their typical shift, they must be paid for half of the typical shift, but no less than four hours, at their regular rate of pay. When this occurs, supervisors need to manually add the additional paid time to the employee's timesheet.

### **Payroll Deductions**

Various payroll deductions are made each payday to comply with federal and state laws pertaining to taxes and insurance. Deductions are made for the following:

- Federal and State Income Tax Withholding
- Social Security (FICA) and Medicare (FMED)
- State Disability Insurance (SDI)
- Garnishments (i.e., court order)
- Other voluntary deductions elected by the employee

Other employee authorized deductions may be made through UKG, such as for insurance premiums, union dues, etc. If applicable, initiation fees and union dues shall be deducted from an employee's paycheck.

At the end of each calendar year, each employee receives a Wage and Tax Statement (W-2) form. This statement summarizes all earned income and mandated deductions for the year. Questions regarding wages, tax deductions, and pay statements should be directed to [payroll@visitsandiego.com](mailto:payroll@visitsandiego.com).

### **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. The payroll schedule can be found on the home page of UKG.

Pay statements are available to employees in UKG. All employees are responsible for ensuring their paychecks are accurate. Employees who discover a mistake in their paycheck should notify [payroll@visitsandiego.com](mailto:payroll@visitsandiego.com) immediately.

### **Automatic Bank Deposit**

Many SDCC employees find it convenient to have their regular pay automatically deposited into their bank account. To start this service, employees must enter their direct deposit information in UKG.

## **Standards of Conduct**

### **Prohibited Conduct**

We are committed to being a great organization and are proud of the integrity, service, collaboration, courage, and accountability of our employees. Maintaining our good name depends upon continuance of these high standards of conduct by all employees. The following list provides examples of, but does not limit, the reasons SDCC in its discretion may discipline an employee, including immediate termination without prior discipline:

### **Unacceptable and/or Disruptive Behavior**

The following list describes types of behavior considered to be unacceptable and/or disruptive to the smooth operation of SDCC and to the positive employee relations climate that SDCC wishes to foster. Such behavior will be cause for appropriate disciplinary action up to and including termination. The types of behavior listed are examples of behavior that is not condoned. The list is not meant to be all-inclusive or complete and may be amended by the Corporation. Where a point range is indicated, points are to be given at the discretion of management and may be decreased or increased, within the point range, depending upon mitigating circumstances.

**The following unacceptable and/or disruptive behaviors are considered a class “1” violation of the Corporation Standards of Conduct. The Corporation has a “zero” tolerance policy toward such behavior. A class “1” violation will result in the employee’s termination.**

1. Possessing, using, selling, negotiating the sale of, or being under the influence of alcohol during working hours, except for approved functions and activities.
2. Committing any act of violence (fighting, brawling, etc.) on Corporation property or in Corporation uniform.
3. The unlawful use, sale, negotiation for the sale of, or the possession of drugs, drug paraphernalia or controlled substances, or being under the influence of, or otherwise abusing, unlawful drugs or controlled substances during working hours, on Corporation property, in corporation vehicles, or in a SDCC uniform. Any employee under a current treatment plan supervised by a licensed physician may ingest prescribed medications in the prescribed doses only.
4. Unauthorized removal or possession of any property belonging to or controlled by the

Corporation, its guests, tenants, contractors or fellow employees, including, but not limited to, the taking of any item from the exhibit floor, an exhibitor's booth, from show offices, dressing rooms, from any exhibition space, display space, registration space, office, storage/supply area, etc. In order to prevent any questions with respect to unauthorized removal or possession of property, employees are responsible for immediately advising their supervisor of any lost and found articles. If the employee has not so advised his/her supervisor, the possession of such property may be assumed to be a violation of this rule.

5. Possessing firearms, other weapons, or explosive materials on Corporation property.
6. Deliberately falsifying your time records or clocking in for another employee or allowing another employee to do the same for you.
7. Discrimination or harassment of an employee by a supervisor or a co-worker because of that employee's race, religion, color, sex, age, disability, marital status, national origin, or sexual orientation. Includes comments, gestures, jokes, graffiti, audio and/or video broadcasts, or posting of inappropriate materials such as pictures or caricatures depicting an offensive stereotype directed toward an individual or group of individuals when the employee has been previously counseled or when directed toward an individual or group of individuals has caused harm preventing the employee(s) from employment opportunities. Overt discrimination or harassment purposely causing harm to others. Inappropriate physical contact intended to harass, coerce and/or intimidate.
8. Conduct on Corporation property or in Corporation uniform, or when representing the Corporation, that could negatively reflect on the image, public trust and/or reputation of the Corporation, any dishonest act or other conduct detrimental to the interests of the Corporation, its guests, tenants or other employees. Includes committing any act which could result in criminal prosecution; engaging in personal political conduct and falsely identifying or attributing such conduct to the Corporation; engaging in conduct or activities which create an actual conflict of interest detrimental to the Corporation; improperly inducing them to make decisions or take actions favorable to the Corporation; intentional violation of the Corporation's Media Policy or intentional portrayal of a personal opinion or belief in a false light as being a Corporate policy, even if no adverse impact is sustained by Corporation.
9. All threats or comments implying an intent to commit acts of violence, or comments which are found to be false and malicious with the potential to cause injury to others, affecting co-workers and damaging to employee morale, includes such behavior as the brandishing at others of any object, which could be construed as, or designed to give the appearance of a weapon or any part thereof; or committing any act in the workplace or under color of the employee's duties which could result in prosecution for a misdemeanor or felony crime; intentional or malicious acts which places others or self in a position of peril or result in others being compelled to pursue risky behavior.
10. Insubordination, including willful refusal to obey direct instructions, non-compliance with direct instructions, failure to cooperate with Corporation authorities in the performance of their duties, includes repeated deliberate failure and/or refusal to follow instructions or department procedures; repeated failure and/or refusal to follow any Corporate, Personnel or relevant

departmental policy, and such failure and/or refusal to comply was not due to the need for any reasonable accommodation for language limitations, or to assist with any known physical or mental disability as required under the ADA.

- 11.** Using or being under the influence of alcohol on Corporation property or in Corporation uniform, during non-working hours, except for approved functions and activities.
- 12.** Damage of property belonging to or controlled by the Corporation, its guests, tenants or fellow employees, committed willfully and with the intent to cause damage; intentional creation of, or failure to correct a known and obvious hazard to the health or safety of other employees or guests.
- 13.** Unauthorized removal or distribution of Corporation records or documents, or the disclosure of confidential, proprietary, or personnel information. Includes the use or disclosure of personal financial information, social security numbers, private telephone numbers, home addresses, medical or health information belonging to another employee or vendor; intentional destruction of documents or records involved in litigation or an imminent lawsuit, a government audit or inspection or retaining personal copies of documents at home or elsewhere that are marked for routine destruction in violation of the Corporation's Record Retention policy.
- 14.** Intentional falsification of any Corporation document. Includes circumvention of internal accounting controls, procedures and policies to derive a personal unauthorized benefit; failure to maintain or to report known violations of internal accounting controls, procedures, or guidelines; knowingly engaging or permitting others to engage in transactions which have not been authorized by the proper officials; knowing submission of false expense reports or claims for reimbursements; recording transactions in a manner which does not accurately or fairly reflect the true nature of the transaction; creation of false vendor or customer invoices to derive a direct or indirect benefit.
- 15.** Intimidation, coercion or harassment, sexual or otherwise, of other employees. Includes comments, gestures, jokes, graffiti, audio and/or video broadcasts, or posting of inappropriate materials such as pictures or caricatures depicting matters perceived by an individual or group of individuals to be of a sexual nature which creates an offensive or hostile environment, where the employee has previously been counseled on such behavior or when the behavior is directed toward an individual or group of individuals with the intent to harass. Repeated inappropriate and un-welcomed advances toward another employee. Inappropriate physical contact intended to harass, coerce and/or intimidate.
- 16.** Intentionally and willfully causing injury to others.
- 17.** Walking off the job without prior approval from management will be considered job abandonment and a voluntary resignation.
- 18.** Accepting special terms or price concessions from tenants, guests, promoters, contractors, or suppliers for personal transactions as it may be perceived as giving them preferential treatment from SDCC.
- 19.** Borrowing money or accepting gratuities from tenants, guests, promoters, contractors, suppliers or

another person or entity doing business with SDCC, unless such gratuities are accepted on behalf of the SDCC Employee Recreation Council.

**The following unacceptable and/or disruptive behaviors are considered a class “2” violation of the Corporation Standards of Conduct and will result in the employee being assessed 70 points**

20. Conduct on Corporation property or in Corporation uniform, or when representing the Corporation, that could negatively reflect on the image, public trust and/or reputation of the Corporation, any dishonest act or other conduct detrimental to the interests of the Corporation, its guests, tenants or other employees. Includes lying or deliberately providing false or misleading information during an investigation or official inquiry; careless disregard for accuracy in the preparation or review of documents reflecting the Corporation’s transactions and interactions with its employees, vendors, customers or the public community; unintentional violation of the Corporation’s Media Policy or unintentional portrayal of a personal opinion or belief in a false light as being a Corporate policy.
21. Sleeping or appearing to be asleep by being unresponsive when addressed during work hours.
22. Posting inflammatory material, such as but not limited to material of a sexual, racial or degrading nature, anywhere on Corporation property (such materials will be removed immediately without notice).
23. Intimidation, coercion, or harassment sexual or otherwise, of other employees. Includes comments, gestures, jokes, graffiti or posting of inappropriate materials or photos directed to another individual in the workplace which may be considered intimidation, coercive or harassment, including behavior demonstrating an unreasonable and offensive gender, sexual preference or other insensitivity.
24. Causing injury to others as a result of the employee’s gross negligence and/or reckless disregard.
25. Unauthorized entry or allowing unauthorized entry into an event.

**The following unacceptable and/or disruptive behaviors are considered a class “3” violation of the Corporation Standards of Conduct and will result in the employee being assessed 50 points.**

26. Discrimination or harassment of an employee by a supervisor or a co-worker because of that employee’s race, color, ancestry, religion, creed, physical or mental disability, sex, age, marital status, sexual orientation or national origin, gender, gender identity, pregnancy, medical condition including genetic characteristics, veteran status, or any other consideration made unlawful by federal, state, or local laws. Prohibited conduct includes, but is not limited to, inappropriate jokes, or posting of inappropriate materials which may have been committed thoughtlessly or without malicious intent and which may be considered discriminatory or harassing toward others. Prohibited conduct also includes behavior demonstrating an unreasonable and offensive insensitivity or comments or behavior overheard or observed even though not directed toward a specific individual or group of individuals. Note: Engaging in such conduct requires mandatory attendance at sensitivity training.

27. All threats or comments implying an intent to commit acts of violence, or comments which are found to be false and malicious with the potential to cause injury to others, affecting coworkers and damaging to employee morale, including behavior such as gestures or the posting of inappropriate materials or pictures or caricatures which demonstrate an intentional disregard for the physical or psychological safety of others; or loud, angry, or disruptive behavior that creates fear or anxiety in the workplace, including such behavior as the actual or implied threat of harm to any individual(s), group, or relatives of individuals, when employee has not been previously counseled, includes such behavior as threats, or gestures made in a joking manner which could be perceived as an actual or implied threat of harm to any individual(s), group, or relatives of individuals, including comments or behavior overheard or observed even though not directed toward a specific individual or group of individuals, when employee has not been previously counseled.
28. Insubordination, including willful refusal to obey direct instructions, non-compliance with direct instructions, and failure to cooperate with Corporation authorities in the performance of their duties, including deliberate failure or refusal to follow instructions or department procedures after prior warning or training for same task, and all reasonable accommodations as may be required under the ADA, the ADAAA, or applicable state law have been provided.
29. Damage to property belonging to or controlled by the Corporation, its guests, tenants or fellow employees, as a result of the employee's gross negligence and/or reckless disregard.
30. Any chargeable accident. (A chargeable accident is one that could have been prevented if proper caution had been exercised.)
31. Causing injury to others as a result of the employee's negligence in not exercising proper care and attention.
32. Failure to immediately report any work-related accident or injury.

**The following unacceptable and/or disruptive behaviors are considered a class "4" violation of the Corporation Standards of Conduct and will result in the employee being assessed 35 points.**

33. No Call No Show: The employee's failure to report for work (per published schedule) and failure to call in when unable to report for their scheduled shift within one hour after their scheduled start time. If the employee calls in within the hour after their scheduled start time, they shall be considered absent; if they report within the hour after their scheduled start, they shall be considered tardy. If the scheduled employee reports later than sixty (60) minutes after their scheduled start time, the employee may be released without being put to work; in such an event, the employee shall not be compensated for scheduled work. At the sole discretion of management, the employee may be allowed to clock in and go to work. If allowed to work, the employee shall be compensated for only hours worked.
34. Conduct on Corporation property or in Corporation uniform, or when representing the Corporation, that could negatively reflect on the image, public trust and/or reputation of the Corporation, any dishonest act or other conduct detrimental to the interests of the Corporation, its



guests, tenants or other employees not covered elsewhere in this section. Including failure to observe basic civility to guests, vendors and other employees; failure to take remedial action to remove a known and obvious hazard to the health or safety of other employees or guests; engaging in situations which create an apparent conflict of interest detrimental to the Corporation.

- 35. Unauthorized removal or distribution of Company records or documents, or the disclosure of confidential, proprietary, or personnel information, including mistaken or inadvertent disclosure of confidential or proprietary information belonging to the Corporation, its employees or guests for which the employee received no direct or indirect benefit; or mistaken and unintentional violation of Corporation's Record Retention policy of non-material nature and which does not result in any civil or criminal litigation or other regulatory investigations or sanctions.
- 36. Intimidation, coercion or harassment sexual or otherwise, of other employees. Such conduct includes inappropriate jokes or posting of inappropriate materials or photos which may be considered intimidating, coercive or harassing by others, which may have been committed thoughtlessly or without malicious intent, including comments or behavior overheard or observed even though not directed toward a specific individual or group of individuals, when the employee has not been previously counseled. First occurrence of any unwelcome advance toward another employee based on honest or reasonable mistake.
- 37. Failure to comply with all Corporation safety rules and regulations. Performing assigned work in an unsafe manner, or failure to operate Corporation equipment safely.
- 38. Inappropriate use of or loaning of identification badge.
- 39. Lending keys to Corporation property to unauthorized persons or allowing duplicate keys to be made.
- 40. Failure to properly display employee identification badge.
- 41. Calling off work without prior approval of the day and time as the called-off shift.
- 42. Full-time employees who are compensated for fewer than 80 hours per pay period, will be counseled after two (2) occurrences within a rolling four-month period.

**The following unacceptable and/or disruptive behaviors are considered a class "5" violation of the Corporation Standards of Conduct and will result in the employee being assessed 25 points.**

- 43. Excessive Unscheduled Unexcused Absenteeism for Non-Represented Employees
  - A. **Definition of Unscheduled Absenteeism:** Unscheduled absenteeism refers to instances where the employee has not received prior approval from their supervisor to be absent from their scheduled shift, even if you use PTO to cover the absence.

**B. Definition of Excessive Absenteeism, for full-time and part-time employees:**

Number of Absences	Period
Three (3)	Sixty (60) days
Six (6)	One hundred (100) days
Eleven (11)	Three hundred sixty-five (365) days

*Note: Call-offs are considered absences.*

- **Exceptions:**

- Absences due to injury or illness are not considered violations of this policy if the employee provides appropriate medical documentation.
- Absences taken under the Family and Medical Leave Act (FMLA) for the illness of a qualified family member will not be counted against the employee for disciplinary purposes if timely notice is given in accordance with the Corporation's FMLA policies.

**C. Employees shall be subject to discipline if it can be shown that there is a pattern of unexcused absences, which is considered by the Corporation to be detrimental to the efficient operations of the facility.**

- 44.** All threats or comments implying an intent to commit acts of violence, or comments which are found to be false and malicious with the potential to cause injury to others, affecting co-workers and damaging to employee morale, including such behavior as threats made in a joking manner, which could be perceived as an actual or implied threat of harm to any individual(s), group, or relatives of individuals.
- 45.** Non-adherence to fire, or security regulations, including traffic and parking rules.
- 46.** Violation of the Corporations Event Ticketing and Admission Policy.
- 47.** Damage to property belonging to or controlled by the Corporation, its guests, tenants or fellow employees, as a result of the employee's negligence in not exercising proper care and attention.
- 48.** Failure to advise your supervisor of your lawful use or possession of medication or controlled substances prescribed by a licensed physician or the use or possession of a non-prescription medication, where job performance may be affected by such use.
- 49.** Leaving work early for an unexcused reason. Excessive for full-time and part-time employees shall be defined as five (5) times within any three hundred sixty-five (365) day period. Medical documentation for excessive excused leave earlies may be required at the discretion of management.
- 50.** Gambling of any type during working hours.
- 51.** Moonlighting (working) for another employer in the SDCC facility without notifying and obtaining prior written approval from their supervisor. This is to ensure that the employment by the other employer does not create a conflict of interest with SDCC.

52. Excluding emergencies, staff are prohibited from using personal telephones for incoming and outgoing calls, texting, streaming, or gaming during working hours. Staff must notify supervision in advance of the known potential emergent or urgent texts/calls on their personal telephone. In the event of an emergency, staff may be contacted by calling the applicable office or security. Employees who have informed their supervisor in advance of an anticipated urgent or emergency call will not face discipline for using their devices.

53. Being away from assigned work area without proper authorization.

54. Smoking, vaping, using e-cigarettes and/or chewing tobacco in non-designated areas.

**The following unacceptable and/or disruptive behaviors are considered a class “6” violation of the Corporation Standards of Conduct and will result in the employee being assessed 15 points.**

55. Excessive unexcused tardiness: For all employees, excessive unexcused tardiness is defined as arriving late more than twice within a rolling thirty (30) day period. After these two instances, each subsequent tardy will result in 5 points being assessed as points will continue to accumulate for each tardy until the employee has gone six months without a late occurrence from the original infraction. Employees must be available and ready to work at their scheduled start time; any lateness is considered a tardy. Employees with unexcused tardiness may have their shift canceled and may be barred from working that shift.

56. Violation of the Corporation’s Solicitation/Distribution Policy.

57. Posting documents on Corporation property except on bulletin boards in Employee lunch rooms.

58. Defacing, removing, or adding to material on bulletin boards (except where removing or adding materials is part of the employee’s assigned duties).

59. Taking unauthorized work breaks, including oversleeping break or meal periods.

60. Failure to conform to the SDCC grooming and uniform policies.

61. Unauthorized entry on to Corporation property.

62. Violation or abuse of lunch or rest periods.

63. Failure to maintain equipment and property as directed.

64. Unacceptable productivity or workmanship.

65. Violation of the Media Policy.

66. Nonexempt employees must accurately record the time they begin and end their work, as well as the beginning and ending time of each meal period. Failure to record their time in the system after two occurrences within a thirty (30) day period.

67. Not following the shift schedule that is accessible to every represented employee at least two weeks in advance.

### **Employee Counseling/Discipline**

68. The Corporation will attempt to employ corrective counseling procedures rather than disciplinary procedures when resolving behavioral and/or performance problems. However, certain conduct such as described above may cause an employee to receive advanced counseling and discipline, including termination, without the application of the progressive corrective counseling procedures. Nothing in the policy modifies the at-will relationship between the Company and its employees under which either the Corporation or the employees may end the employment relationship at any time, for any reason, with or without notice.
69. Positive standards of behavior are necessary in order to provide an efficient workplace for all employees. Negative behavior is disruptive to the smooth operations of Corporation business and detrimental to the positive employee relations climate the Corporation wishes to foster. When an employee's behavior disrupts this climate, the Corporation's approach is to counsel the employee with the hope that an employee will respond better to effective counseling than to discipline. However, discipline, including termination, may be imposed without any prior counseling if merited, at the sole discretion of the Corporation.
70. The system of counseling will typically progress until either the employee makes the required improvement or the Corporation decides to terminate the employee.
71. An employee who receives a Counseling Notice shall be assessed penalty points for violation of the Corporation policies and/or rules and shall be subject to the following disciplinary action:
- A. Points will be assessed for the policy and/or rule violation and added to any other points accumulated within the last twelve (12) months.

#### **Accumulated Points and Disciplinary Actions**

<b>Points</b>	<b>Disciplinary Action</b>
10 – 30	Written Employee Counseling Notice
31 – 45	One (1) day suspension
46 – 60	Three (3) day suspension
61 – 80	One (1) week suspension
81 – 99	Two (2) week suspension
100+	Termination

### **Separation**

When possible, employees are to provide their supervisors with at least two weeks' notice of their intent to leave SDCC. Employees are required to return all company property on their last day of employment. Employees who fail to do so may be required to remit payment to SDCC for the value of company-issued property.

Employees who provide at least 72 hours' notice will have their final paychecks available to them at the end of their final shift. Employees who do not provide 72 hours' advanced notice will receive their final paycheck within 72 hours of SDCC receiving notice of the employee's separation. Employees who are

involuntarily separated will have their final paycheck provided to them at the time of their departure. Employees may request that their final paycheck be mailed to a designated address if they provide written consent. Alternatively, if they were previously enrolled in direct deposit, their final paycheck may be deposited into their account, pursuant to the above referenced timelines, unless the employee informs SDCC in writing they would like a hard copy paycheck.

### **Whistleblower**

SDCC requires its directors, officers, and 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.

A whistleblower is an employee of SDCC who reports an activity that they consider to be illegal or dishonest to one or more of the parties specified in this policy. Should you become aware of, or suspect: (1) a violation of federal, state, or local laws, rules, or regulations; or (2) an instance of fraud, corruption, theft of Corporation property or other illegal or unethical activity, you must immediately report the incident.

You may report the incident to Corporation Management; to the Executive Director of Human Resources; to the Board Audit Committee via email to [whistleblower@visitsandiego.com](mailto:whistleblower@visitsandiego.com); via the online Whistleblower Report Form, which is located under the policy section on the front page of UKG; to the Fraud Hotline via email to [fraud.hotline@visitsandiego.com](mailto:fraud.hotline@visitsandiego.com); or to the confidential employee Fraud Hotline by calling (619) 525-5161. The following parties will receive Whistleblower incident reports via the aforementioned methods: Board Audit Committee and Executive Director of Human Resources. The following parties will receive Fraud incidents reports via the aforementioned methods: Board Audit Committee, President & CEO, Deputy CEO & Chief Financial Officer, Chief Operating Officer, and Executive Director of Human Resources.

Generally, any suspected misconduct covered by this Policy should be reported, either to the Fraud Hotline or by written report, within thirty (30) days of becoming aware of the facts of the suspected misconduct. You do not have to identify yourself to the Fraud Hotline or on the written report; however, if you do not identify yourself, the Corporation cannot follow up with additional questions or seek clarification from you if needed to complete the investigation. Your identity and the fact of your complaint/report will be protected to the extent permitted by law. Notices with further details regarding the Whistleblower policy are posted throughout the facility. For more information regarding this program, please refer to the Whistleblower Policy on the homepage of UKG.

### **Conflicts of Interest**

SDCC expects all employees to conduct themselves 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 interest.

Determining exactly what constitutes a conflict of interest or an unethical business practice involves moral, legal, and reputational considerations. SDCC 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 SDCC.

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 Human Resources for advice and guidance on how to proceed.

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

- Simultaneous employment by another organization that is a competitor of SDCC.
- Holding a controlling interest in, or participating in the management of, a company to which SDCC makes purchases.
- Borrowing money from customers or vendors, other than recognized loan institutions, from which SDCC provides or buys services, materials, equipment, or supplies.
- Accepting substantial gifts or excessive entertainment from an outside organization or agency valued at \$50 or greater and \$590 cumulatively for the year in accordance with the Form 700 guidelines.
- Misusing privileged information or revealing confidential data to outsiders.
- Using one's position in SDCC or knowledge of its affairs for personal gains.

### **Solicitation and Distribution**

Trespassing, soliciting, or distributing literature by anyone outside the company is prohibited on company premises, except as permitted by law. Excluding recognized unions, non-employees, including former employees, may not solicit employees or distribute literature of any kind on SDCC's premises at any time. Any and all communication regarding SDCC events must be approved by the Communications department prior to distribution to employees. The posting of materials or electronic announcements regarding employee events and activities are only permitted with approval from Human Resources. Employees may not solicit other employees during work times. Distribution of literature by one employee to another is restricted to non-work time and non-work areas. Working time includes the on-duty time of both the person doing the soliciting and/or distributing and the employee to whom the solicitations or distribution is directed; it does not include break or meal periods. Work areas include all premises of SDCC, but exclude such places as Tides Cafe, break rooms, parking lots, parking areas, driveways, and entrances to and from the facility.

### **Surveillance and Recording**

Employees should not have an expectation of privacy in any public portion of its facilities as business needs may warrant security cameras as needed. Restrooms, showers, locker rooms and dressing rooms are deemed private and SDCC does not conduct video surveillance in these areas. In the areas that are designated as "employee only," employee privacy will be respected to the extent possible.

Employees are prohibited from recording in areas where employee and/or client privacy may be compromised and/or meetings where proprietary business information could be disclosed. This paragraph shall also apply to employee cellular phones to the extent such cellular phones are used to record, whether by video, audio, or both, in a prohibited area, individuals, surroundings, or information.

The State of California prohibits the recording of conversations or meetings unless the consent of all parties involved is obtained.

### **Smoke-Free Workplace**

It is SDCC policy to provide a smoke-free work environment. The prohibition on smoking includes e-cigarettes, vape pens and chewing tobacco. Smoking areas denoted by ash tray urns are located outside the building.

### **Alcohol**

Except for approved functions and activities, all employees are prohibited from consuming or possessing alcoholic beverages during working hours, while on SDCC property, and/or in SDCC uniform. Working hours are 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 at any time during their work shift, including compensated breaks and uncompensated meal periods, is prohibited. Employees who are suspected of being under the influence will be removed from work and tested. Employees will be considered under the influence if tests reveal any perceptible trace of alcohol.

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 SDCC business are strictly prohibited from consuming any alcoholic product before or during their shift. If you violate these guidelines, you may be subject to disciplinary action up to and including termination.

### **Drug-Free Workplace**

Our employees' health and well-being are important to us. 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, SDCC is committed to the elimination of drug and alcohol use in the workplace.

SDCC is covered by the Federal Drug-Free Workplace Act and provides a drug-free workplace. As a covered employer, SDCC must certify to the contracting government agencies that it will provide a drug-free workplace in connection with the performance of its government contracts. 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.

Employees must, as a condition of employment, report any conviction under a criminal drug statute for violations occurring on SDCC premises or while conducting SDCC business. A report of a conviction must be made to Human Resources within five days of the conviction. Within ten days of learning about an employee's conviction, SDCC 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 SDCC learns of an employee's conviction, the employee may 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.

### **Controlled Substances**

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

### **Required Testing**

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

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

**Reasonable Suspicion:** Reasonable Suspicion is defined as a belief based on objective facts sufficient to lead a 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 any two members of management and/or Human Resources; 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. Examples include, but are not limited to:

- Odors (smell of alcohol or drugs, 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.

### **Americans with Disabilities Act**

In addition to complying with the federal Drug-Free Workplace Act of 1988, SDCC must comply with the requirements of the Americans with Disabilities Act of 1990 (ADA). Individuals who currently use drugs illegally are not individuals with disabilities protected under the ADA when an employer takes action because of their continued use of drugs. This includes people who use prescription drugs illegally as well as those who use illegal drugs. However, people who have been rehabilitated and do not currently use drugs illegally, or who are in the process of completing a rehabilitation program, may be protected by the ADA.

### **Grooming, Dress and Uniforms**

Employee appearance is critical to the success of the Corporation and the events we host in our facility. As a result, SDCC places a very strong emphasis on cleanliness and appearance. Whether you are working on the frontline or behind the scenes, the appearance of the overall organization continues to



be one of the important elements of our success. Employees should refer to their direct supervisor with specific questions regarding SDCC's dress code and uniform standards.

### **Uniformed Employees**

Uniforms have been carefully developed to meet SDCC's specifications. Employees working in positions requiring a uniform will be issued uniforms by the Wardrobe Division as applicable. It is the employee's responsibility to ensure that the issued uniforms are neat and clean at all times. When uniformed, you are responsible for the proper care and maintenance of your uniform. Soiled, damaged, or ill-fitting uniforms may be returned to the Wardrobe Division for cleaning, repair, or replacement (subject to garment type and eligibility). Uniforms must always be clean, ironed, and worn in a presentable fashion. The uniforms must not be altered in any way without your director's approval. While normal wear and tear is expected, excessive damage or loss of company uniforms may result in disciplinary action.

Employees who are required to wear a uniform must ensure that they do so during working hours unless advised otherwise by their supervisor. Failure to report to work in uniform will result in the employee being required to change into a uniform. Supervisors retain the authority to approve the wardrobe appearance and request changes as needed. Uniform nonconformance may result in disciplinary action per the Employee Handbook.

Your supervisor will advise you of the procedure for receiving and returning your uniforms. All SDCC issued garment items are the property of the Corporation and are to be returned immediately upon request, resignation, or termination from the Corporation.

If you wear your uniform outside of work, you are seen as representing the Corporation and consequently, behavior, and appearance should be appropriate.

### **Laundry**

Employees entitled to an annual clothing and home laundry allowance are determined by their role, as specified in a Letter of Understanding (LOU) and/or the CBA for certain unions. Eligible employees will receive a stipend per the terms outlined in the LOU and/or the CBA under the 'uniform allowance' provision. Those who receive this stipend are not eligible for onsite cleaning services for their purchased clothing. It is the responsibility of employees to ensure that their garments are clean and worn in a presentable manner, free from marks or stains. Garments that are heavily soiled or damaged may need to be replaced at the discretion of the supervisor.

### **Pants**

Only those in Public Safety, Guest Services, Grounds and Trade Staff (Maintenance) department roles will be issued pants by the Corporation. All other uniformed employees shall purchase and provide their own pants to be worn as part of SDCC's uniform. An annual stipend may be provided to eligible roles to cover the cost of purchasing pants. Shorts may be worn in divisions where they are allowed (Storekeepers and Grounds) and must be of appropriate length (nothing shorter than two finger widths above the knee).

Uniform pants or shorts required will be of a style/brand similar to Dickies or Dockers and at ankle length. Denim or athletic wear (i.e., leggings/joggers/sweatpants) of any style or color is not allowed. Pants must be clean and neat with no holes, stains, rips, frays, tears, or patches and shall not be excessively baggy or tight. Pants are the responsibility of the employee to provide and replace as necessary to maintain a proper and acceptable appearance to be determined by the supervisor.

Pants purchased must be black per the assigned role, including Storekeepers, Building Services, Cleaning Services, and Wardrobe.

Company-issued belts are to be worn with pants (or shorts) that have belt loops at all times. Pants may not be worn in the “low rider” style. Belts shall be either a solid black or brown color with a standard buckle; no fringed or tie belts are permitted.

### **Shoes**

Unless otherwise specified, employees must supply their own shoes. Suitable footwear must be worn by employees in accordance with the nature of their work, associated hazards, and job responsibilities. Depending on their designated role, detailed in a LOU and/or the CBA for select unions, some employees may receive an annual stipend to cover footwear expenses. Eligible employees will receive this stipend as outlined in the terms and conditions specified in the LOU and/or the CBA under the 'footwear allowance' provision.

If a footwear allowance is provided for steel or composite-toed shoes, it is intended to cover one pair of shoes for the fiscal year—replacements within the year may not be approved for reimbursement (subject to management approval).

### **Hats**

Hats are provided as part of the uniform and are optional. Wardrobe shall issue hats matching the uniform style of the employee’s assigned role.

### **Flame Resistant (FR) Garments**

Certain activities may require FR garments to be worn for safety purposes. Those identified to be working under specific circumstances will be issued FR shirts and pants accordingly.

### **Replacement Garments & Change of Stipend**

Employees who require additional garments due to excessive wear and tear or extenuating circumstances may receive additional garment items during the year with supervisor approval. Stipend amounts are subject to management’s discretion and may be revised accordingly.

### **Non-Uniformed Employees**

Employees may wear casual attire except when business professional attire is necessary.

#### **Casual attire includes:**

- Bottoms including khakis, slacks, chinos, skirts. All bottoms must not be shorter than two finger widths above the knee. Tailored capris are permitted; however, shorts are not permitted. Dark, solid color leggings and jeggings must be opaque and are only permitted to be worn with a dress.
- Jeans, defined as hard-wearing trousers made of denim or other cotton fabric, for informal wear, may be worn on Fridays only, as appropriate, and must be without holes, fading, wrinkles or frays (see Figure 1 below).
- Tops including blouses, polos, and casual button-downs. If the shirt is sleeveless, it should have a thick strap that covers the entire top of the shoulder. Tops must cover the midriff and not be low-cut or bare-back. No T-shirts are permitted, except when provided and authorized by the Corporation.

- Dresses: Sleeveless dresses should have a thick strap that covers the entire top of the shoulder. Sun/beach dresses are not permitted. Length must not be shorter than two finger widths above the knee.
- Clothing must not contain any obscene words, profane language, logos, or imagery, including anything that is racist, sexual, homophobic, or ageist; must not promote violence or a hostile work environment.
- Only Corporation hats are to be worn; all others are prohibited. Head covers, as approved as a reasonable accommodation through Human Resources, are permitted.



*Figure 1: Examples of jeans, acceptable on Fridays, as appropriate*

#### **Business Professional attire includes:**

- Bottoms including slacks, chinos, dress pants, and skirts. Skirts must not be shorter than two finger widths above the knee.
- Tops including collared button-downs, dress shirts, and blouses. Tops must cover the midriff and not be low-cut or bare-back. No T-shirts or tanks are permitted.
- Professional dresses with sleeves. Length must not be shorter than two finger widths above the knee.
- Blazers, suits, or ties are not required unless the employee is meeting with a client that is dressed at this level or it is requested by their supervisor.
- Sleeveless tops must be worn with a suit jacket or business-type covering.

#### **When to wear Business Professional attire:**

- When attending a Board of Directors meeting.
- When with a client who dresses at this level.
- When with an outside stakeholder or vendor.
- When presenting or attending a presentation or ceremony in the community.

In general, if employees are with a client, they should match the client's level of attire. If the client wears Casual attire, the employee may also wear Casual attire. If the client wears Business Professional attire, the employee should wear Business Professional attire. If the occasion does not meet the reasons listed above for Business Professional attire, employees are permitted to wear Casual attire.

#### **Shoes**

Employees are required to wear suitable footwear consistent with the type of work being performed, hazards involved, and employee job duties.

Shoes must cover the toes and be attached around the back of the foot. Sandals such as flip-flops, crocs, or thongs are not permitted. Running/athletic sneakers are permitted, as approved by division management. If employees choose to wear open-toed shoes, it is advisable they not be worn to walk on the exhibit floor during move-in or move-out, docks or areas under construction.

For Casual attire, dress shoes, clean and conservative dress-style sneakers, boat shoes, boots/booties, flats, heels, pumps and wedges are permitted. For Business Professional attire, only dress shoes, flats, heels, and pumps are permitted.

## **All Employees**

### **Hair**

Hair should be clean, well-groomed, and neat. Natural and muted, soft colors (pale pink, light grey, lilac, light blue, etc.) are permitted as long as maintained. Muted, soft colors can be mixed with a natural hair color (see Figure 2 below). Hair should not be disheveled. Facial hair is permitted as long as it is within safety guidelines and is neatly trimmed and shaped.



*Figure 2: Examples of permitted hair color*

### **Jewelry and Body Piercings**

Necklaces, bracelets and rings are permitted as long as the employee is not under safety guidelines that would restrict these types of jewelry.

Ear piercings and small ear gauges (may not exceed ½" or 12.7 mm) are permitted. For safety reasons, an employee may be restricted to stud earrings. Small nostril, stud piercings are permitted (see Figure 3 below). All other facial piercings must be concealed with a flesh-colored retainer.



*Figure 3: Example of nostril piercing jewelry*

### **Tattoos**

Visible tattoos are permitted except for on the face, knuckles, neck or head. When in Business Professional attire, tattoos should be covered. Tattoos must not display any obscene words or profane language, including anything that is racist, sexual, homophobic, ageist, or that contains, or promotes violence or a hostile work environment.

**Perfume/Cologne**

If used, perfume, cologne or any other scents must be used sparingly. Keep in mind that some employees may be sensitive or allergic to the chemicals in perfumes.

**Fingernails**

Fingernails should be clean. Nails should not extend more than ½ inch past the tip of the finger.

**Makeup**

An appropriate professional business appearance is required at all times.

**Name Badges**

All employees are issued a photo identification badge and a name badge. The photo ID badge, which also serves as a proximity device for access into the building and other restricted areas, may be worn on a breakaway lanyard or on a badge clip. Name badges are to be worn on top of clothing on the upper right chest area or the lapel of a jacket. Badges are to be worn at all times so that they are clearly visible. Only photo identifications, name badges or other special event ribbons or pins issued or authorized by the Corporation are to be worn. Photo identification badges are color coded to identify employees, board members, temporary staff and contractors. You must obtain a replacement for any lost stolen identification and/or magnetic name badges by immediately notifying your supervisor. Failure to wear an identification badge as set forth may lead to disciplinary action.

**Grooming, Dress and Uniform Summary**

If in doubt, employees should check with management. Special dress and/or grooming requirements may be established by division leadership as necessary for employee safety. Employees who do not adhere to the dress code and/or uniform standards may be subject to disciplinary action, up to and including termination. In addition, employees who report to work inappropriately attired may be sent home without pay to change into suitable clothing. Direct supervisors will be responsible for monitoring employee dress in their respective areas. This policy will not be enforced in a manner that discriminates against any employee based on a protected class, such as race, sex, gender identity or gender expression, religion, national origin, disability, any other class protected by federal, state or local law. SDCC will make reasonable accommodation under this policy based on an employee's sincerely held religious beliefs, observances or practices, disability or any protected characteristic in compliance with applicable federal and state law. Employees who need a reasonable accommodation should contact their supervisor or Human Resources.

Management reserves the sole right to determine the appropriateness of employee appearance. The policies and guidelines developed in this handbook have been developed by the Corporation and may be changed at any time.

**Employees Covered Under a Collective Bargaining Agreement (CBA)**

The employment terms set out in this policy work in conjunction with, and do not replace, amend, or supplement any terms or conditions of employment stated in any CBA that a union has with SDCC. Employees should consult the terms of their CBA.

**Confidentiality**

The protection of confidential business information and trade secrets is vital to the interests and success of SDCC. Confidential information is any and all information disclosed to or known by you because of employment with SDCC that is not generally known to people outside SDCC 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.

**Pay Transparency and Salary History**

SDCC is required to file an annual "California State Government Compensation Report" of the California State Controller's Office. This report provides detailed information on the salaries and compensation of state government employees, including elected officials, civil servants, and other state personnel. SDCC is considered a Special District within the City of San Diego. This report aims to promote transparency and accountability in government spending by making this information accessible to the public. The report typically includes data on salaries, benefits, overtime pay, and other forms of compensation received by state employees across various departments and agencies within California's state government.

SDCC 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.

**Business Expense Reimbursement**

SDCC maintains a corporate credit program that issues cards to designated positions with budgetary responsibility. It is company policy that employees use these cards to ensure transparency of expenses and proper accounting practices. In exceptional cases, employees may use personal funds for business expenses. SDCC reimburses these expenses provided they were necessary and authorized in advance by the supervisor or had budget authority. When submitting expenses for reimbursement, employees must fill out an expense form and include original receipts and an itemized list detailing the business purpose.

Employees who drive personal vehicles for business purposes will be reimbursed at the standard IRS mileage rate. To request reimbursement, employees must complete an 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 not permitted to use personal cell phones for business purposes. If SDCC provides a company-issued cell phone to an employee to use for business purposes, but the employee elects to use

their own device, SDCC will not reimburse the employee for the personal device expenses incurred voluntarily. Employees should discuss use of personal devices with their supervisors and document any arrangement in writing.

### **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 SDCC property is private, or that any items they bring onto or store on or in SDCC property are private.

Desks, lockers, and any other SDCC-owned equipment or workspaces may be searched at any time for any valid business purpose. Similarly, SDCC-owned computers and mobile devices, storage devices, and SDCC's computer network may be accessed by SDCC 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, SDCC may access work email, even if stored on a personal device. Likewise, information accessed on your personal device using SDCC's network may be accessed by SDCC 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, SDCC may still access its property and all information on its systems at any time, without prior 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.

SDCC also maintains surveillance camera coverage throughout the building, which are monitored on all shifts. These cover a variety of spaces like entrances and exits, stairwells, dock areas and hallways. This should not be considered a complete list and management may modify the placement of these cameras without notice.

### **Social Media**

SDCC recognizes that the internet provides unique opportunities to participate in interactive discussions and share information on particular topics using a wide variety of social media, such as Facebook, LinkedIn, Twitter (X), Instagram, TikTok, Pinterest, Snapchat, Tumblr, blogs, and wikis. However, employees' use of social media can pose risks to SDCC's confidential and proprietary information, reputation, and brands; expose the corporation to discrimination and harassment claims; and jeopardize the corporation's compliance with business rules and laws.

All of SDCC's other policies that might apply to social media use remain in full force and effect, such as policies involving unauthorized filming/recording. Employees should always adhere to them when using social media. Social media should never be used in a way that violates any other SDCC's policies or employee obligations. If your social media activity would violate any of SDCC's policies in another forum, it will also violate them in an online forum.

### **Personal Belongings**

Employees are prohibited from bringing bags larger than 16" x 16" x 8" onsite. Prohibited bag types included large duffle bags, oversized backpack/rucksacks, luggage, crates, and boxes. However, due to the nature of certain jobs, some employees such as Engineering and trades staff may be required to bring their personal tools or equipment in larger bags, but they require the approval of their supervisors. All other employees may only bring and/or remove their personal property with authorization from their Division Manager. All items are subject to search by SDCC Public Safety.

SDCC provides and pays for locks and lockers for certain positions. The locks and lockers remain the property of SDCC. Employees are to not place their own lock on their lockers. SDCC reserves the right for supervisors to open and inspect lockers, and of its contents, at any time, with or without advance notice.

### **Media Information**

SDCC receives many requests from the news media for information concerning various events and people in the facility. The President & CEO is the official media spokesperson for the Corporation. The Executive Director of Marketing & Communications can also serve as the spokesperson for SDCC. Only the designated employees are authorized to speak to the media and all media requests are to be routed to the Executive Director of Marketing & Communications or to the Director, Government & Community Affairs.

## **Information Technology**

SDCC employees must comply with the following guidelines regarding acceptable use of Information Technology system use. Key guidelines include:

### **Computer Access Control Password**

Maintain a password/passphrase at least 8 characters long, preferably longer. Do not share passwords.

### **Internet and Email**

Use of SDCC internet and email is intended for official business purposes only. Unauthorized reasons are those which do not assist staff in their employment duties. Individuals are accountable for their actions on the internet, corporate business platforms and email systems.

### **Clear Desk and Clear Screen**

To reduce the risk of unauthorized access or loss of information, SDCC expects users will protect personal, confidential, and proprietary information at all times. Lock or log off workstations when unattended. Dispose of business-related printed matter using confidential waste bins or shredders.

### **Software**

Employees must only use authorized software on corporate devices in accordance with license agreements. All software must be approved and installed by the SDCC IT department.

### **Actions Upon Separation**

Return all SDCC equipment and data to Human Resources at the time of separation or at an agreed-upon time and place. SDCC data or intellectual property developed or gained during the period of employment remains the property of SDCC and must not be retained by the separated user beyond separation and shall not be reused.

### **Monitoring**

All data created and stored on SDCC computers is the property of SDCC and, thus, there is no official provision for individual privacy. IT system logging will take place where appropriate, and investigations will be commenced where reasonable suspicion exists of a breach of this or any other SDCC Corporate policy. SDCC has the right (under certain conditions) to monitor activity on its systems, including internet and email use, to ensure systems security and effective operation, and to protect against misuse.



### **Information Security Acceptable Use Policy**

SDCC is committed to safeguarding confidential information and its computer network. All employees who are provided with access to Company data and computer systems are required to conduct themselves in a professional and responsible manner at all times.

Employees must:

- Not download software (including freeware or shareware) on any SDCC-owned computer or other device without IT approval.
- Protect IT Resources from unauthorized access and theft. Users will not share usernames and passwords for corporate systems. Users will take reasonable measures to protect physical IT assets and data from theft.
- Not use IT Resources for inappropriate purposes, such as violating SDCC policies or (for example, policies against workplace harassment or use of confidential and proprietary information) laws, or interfering with productivity.
- Examples of prohibited uses of SDCC-provided IT Resources include accessing pornographic or sexually-oriented sites, visiting websites or social media platforms 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.
- Report suspected viruses, malware or security breaches to IT immediately.
- Not use company-wide distribution lists without IT permission, except in emergencies.
- Not use IT Resources for personal use, includes but is not limited to internet usage and accessing personal email accounts while on the SDCC corporate network or using corporate devices. This also prohibits using any SDCC technology asset and especially the corporate email system for personal matters. Use the corporate secure messaging application for sending sensitive or confidential information. Department leaders should identify which information qualifies for secure messaging and communicate those definitions to their staff.

### **Time Off**

#### **Holidays**

SDCC observes the following paid holidays:

- New Year's Day
- Martin Luther King, Jr. Day
- President's Day
- Cesar Chavez Day
- Memorial Day
- Juneteenth
- Independence Day
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas
- Such other Holidays as are approved by the Board of Directors

If one of these holidays falls on a Saturday, it will be observed on the preceding Friday. If the holiday falls on a Sunday, it will be observed on the following Monday.

Full-time employees are eligible for holiday pay. Part-time and temporary employees are not eligible for holiday pay, unless otherwise provided for in a CBA. 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 a leave of absence are not eligible for holiday pay.

Full-time, non-exempt employees required to work on a SDCC-observed holiday will be paid eight hours for the holiday plus one and one-half times their regular rate. Part-time, non-exempt employees required to work on a SDCC-designated holiday (only applies to New Year's Day, Independence Day, Thanksgiving Day and Christmas Day) will be paid one and one-half times their regular rate. Represented part-time employees refer to your CBA for designated holidays and holiday pay. Holiday pay that is not based on hours worked is not counted for the purpose of calculating an employee's overtime hours of work or overtime premiums, unless otherwise provided for in a CBA.

Suspended employees and those on an unpaid, non-covered leave of absence are not eligible to receive holiday pay.

### **Paid Time Off (PTO)**

SDCC encourages all staff to use their accrued PTO for rest and relaxation. PTO is compensated time off for eligible employees who are absent from work because of illness, injury, healthcare care appointments, personal business, or personal vacation. In compliance with state law and local ordinance, Employees may use PTO 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 PTO for the diagnosis, care, or treatment of an existing health condition of, or preventive care for, the employee's family member.

Because all earned but unused annual leave is paid out upon separation, rehired employees shall not have their previously-accrued annual leave or prior accrual rate reinstated upon rehire. However, there is no waiting period to begin earning or using earned annual leave.

If an employee has PTO available, the employee must apply it to any missed work time unless otherwise required by law.

### **Accrual and Use: Full-Time Employees**

<b>Length of Service</b>	<b>Accrual Per Bi-Weekly Pay Period</b>	<b>Annualized Hours</b>	<b>Annualized (Estimated)</b>
0 months - 4 years	6.462 hours	168 hours	21 days
5 years - 9 years	7.077 hours	184 hours	23 days
10 years - 14 years	8.000 hours	208 hours	26 days
15 years - 19 years	8.923 hours	232 hours	29 days
20+ years	10.154 hours	264 hours	33 days

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

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

PTO does not accrue during an unpaid leave of absence or while on an unpaid suspension.

**Accrual and Use: Part-Time Employees**

Part time employees accrue PTO with pay at the rate of .04 hours for every hour worked. Separated employees will be paid for all accrued but unused PTO.

In accordance with a CBA, any accrued PTO in excess of forty (40) hours 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 PTO shall be made by August 1. Terminating employees will be paid for all accumulated PTO. Although accrued and unused PTO as of June 30 of each year is paid out, accrual of PTO continues as appropriate in relation to hours worked.

Employees may schedule PTO 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 PTO dates by submitting a request in UKG.

PTO will be paid 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 workday and coincides with an employee's scheduled PTO, the day will be paid as a holiday and not be considered a PTO day.

**PTO Requests**

PTO 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 PTO is foreseeable and advance notice is possible, unless otherwise directed, employees are required to complete the appropriate Leave Request Form (e.g., PTO) available on UKG to request PTO. Where the need for PTO is unforeseeable, employees shall provide notice of the need for the leave as soon as practicable. Employees may be asked to provide a healthcare provider's certification to support any unplanned absence exceeding three consecutive working days.

PTO 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 PTO should submit such request to [benefits@visitsandiego.com](mailto:benefits@visitsandiego.com) prior to applying for State Disability (before beginning their medical leave).

PTO abuse may result in appropriate disciplinary action in accordance with SDCC's personnel policies.

SDCC's PTO policy satisfies the requirements of California's Paid Sick Leave law, as well as the local San Diego ordinance.

**Time Off for Jury 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. Employees must provide a copy of the official

jury/witness duty notice to their supervisor and must also provide the timesheet they use at the courthouse to their department for payroll purposes.

An employee must report for work whenever the court schedule permits. If an employee has more than half their shift left when they are released from jury duty, then they must report for the remainder of their shift. Full-time and part-time employees will receive their usual rate of pay for scheduled hours while on jury duty for up to 10 days. Otherwise, the leave is unpaid. After 10 days, exempt employees will receive their regular salary unless they do not work any hours during the workweek. Employees may use accrued PTO for any unpaid days. Please see your supervisor with any questions.

### **Time Off for Voting**

SDCC 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. If necessary, employees will be paid two hours from their regularly scheduled working hours to vote in an election. Additional time off will be unpaid.

### **Time Off for School Activities and Appearance**

Employees are provided time off from work under the California Family School Partnership Act as summarized below:

Parents, guardians, registered domestic partners, stepparents, foster parents, grandparents, or a person who stand in loco parentis to one or more children in kindergarten through 12th grade or in the care of a licensed childcare provider may take time off for the following reasons:

- To participate in a school or child-care activity;
- To find, enroll, or reenroll the employee's child in a school or with a licensed childcare provider;
- To address a child-care provider or school emergency in the following circumstances:
  - Where the school/provider has requested that the child be picked up, or an attendance policy (excluding planned holidays) prohibits the child from attending school or childcare;
  - Behavioral or discipline problems;
  - Closure or unexpected unavailability of the school or provider (excluding planned holidays); and,
  - A natural disaster (e.g., fire, earthquake, or flood).

The permitted time off for school/childcare activities is up to 40 hours each calendar year, not to exceed 8 hours in any one month.

Except in the case of an emergency, employees are required to provide reasonable notice to their supervisor before taking time off; if both parents are employed by SDCC, the first employee to request time off will receive the time off or as agreed upon by the parents and approved by the supervisor(s).

Accrued PTO must be used for time off under this policy if available before unpaid time off may be used.

Employees will need to provide reasonable and appropriate written verification of their participation in school/childcare activities in a form decided by the school/provider. If an employee who is the parent or guardian of a child facing suspension from school is summoned to the school to discuss the matter, the

employee should alert their supervisor as soon as possible before leaving work. No discriminatory action will be taken against an employee who takes time off for this purpose.

### **Time Off for Adult Literacy Program**

SDCC will make reasonable accommodations for any employee who reveals a literacy problem and requests that the Corporation assist them in enrolling in an adult literacy program unless undue hardship to the Corporation would result. SDCC will take reasonable steps to safeguard the privacy of any employee who identifies themselves as an individual with a literacy problem. An employee who wishes to identify themselves as such an individual can contact Human Resources directly.

## **Benefits**

SDCC recognizes the value of benefits to employees and their families. SDCC supports employees by offering a comprehensive and competitive benefits program and in accordance with applicable laws. Details of benefit plans and programs are available in the Benefits Information Guide, in the Summary Plan Descriptions on the home page of UKG, and in materials distributed to employees on their first day of work. If there is an actual or apparent discrepancy between the information in this handbook and the official plan documents, the plan documents shall prevail.

While it is our hope to sustain employee benefits, SDCC reserves the right, at its sole discretion, to rescind, modify, amend, or limit any benefits in whole or in part, to change insurance carriers, or to require or change employee contributions toward premium costs, deductibles, or copayments. Neither the benefit programs nor their descriptions create any guarantees regarding employment or continued employment or modify SDCC's at-will employment policy. For additional information, please email [benefits@visitsandiego.com](mailto:benefits@visitsandiego.com).

### **Group Insurance Eligibility**

Employees classified as regular full-time and working 40 hours per week are eligible for group healthcare insurance coverage. Part-time employees are eligible for medical coverage only as mandated by the Affordable Care Act when they reach ACA eligibility for medical coverage only. Your coverage begins the first of the month following 30 days of full-time employment. You must complete your enrollment in UKG within 30 days of your hire date or gaining benefits eligibility.

Your enrollment choices remain in effect through the end of the benefits plan year, March 1 – February 29. If an employee experiences a qualifying life event as recognized by the IRS, the employee is eligible to make changes to their coverage in accordance with the life event. If this occurs, the employee must notify HR via email at [benefits@visitsandiego.com](mailto:benefits@visitsandiego.com) within 30 days of the change event. Enrollment changes not triggered by a qualifying life event may be made only during the annual open enrollment period.

Current costs, eligibility requirements, and detailed information may be found in the Benefits Guide on the home page of UKG. Commencement and termination of any benefits are pursuant to each benefit plan. Most benefit premiums are deducted on a pre-tax basis through payroll. This allows employees to reduce the amount paid in Federal, State, and Social Security taxes. Other types of benefit premiums, such as Life, Accidental Death & Dismemberment, and some supplemental health plans, are deducted on a post-tax basis. This allows the cash benefit to be paid without being subject to taxes. If an employee's employment terminates before the end of the month, benefit premiums for the entire month may be deducted from the employee's final paycheck, as permitted by federal and state laws.

## **Group Benefit Offerings**

SDCC offers the following group benefits:

- Medical Insurance
- Dental Insurance
- Vision Insurance
- Flexible Spending Accounts
- Life and Accidental Death & Dismemberment Insurance
- Disability Insurance
- Supplemental Health Plans

## **Retirement Plans**

The Corporation offers three retirement savings plan options for employees. All employees are eligible to participate from their own earnings in the 403b and 457 plan, which feature both pre-tax and ROTH investment choices, funded through employee contributions. Additionally, upon eligibility, employees are enrolled in the corporate-sponsored Defined Contribution Plan upon completion of 1,000 hours of service, if not covered separately under a collective bargaining program. The Corporation contributes a percentage of the employee's annual compensation to the plan. Vesting occurs gradually at a rate of twenty percent (20%) per year, resulting in full vesting after five (5) years of participation. For further details, employees can refer to the Corporation Retirement Plans on the UKG homepage or contact [benefits@visitsandiego.com](mailto:benefits@visitsandiego.com).

## **Employee Assistance Program**

The Employee Assistance Program (EAP) provides confidential, no-cost assistance for all employees and their household members. It is a resource designed to provide experienced help with managing life's challenges that affect the quality of everyday life and job performance. SDCC wants employees to be able to maintain a healthy balance of work and family that allows them to enjoy life. The EAP can assist with topics such as anxiety, family issues, grief and loss, depression, work/life balance and substance misuse.

This free, comprehensive service offers three face-to-face or video counseling sessions per household member, per issue, per year as well as access to chat/text service, and a 24-hour hotline answered by professional, degreed counselors. EAP services also include free legal, financial, and identity theft services, and an extensive website with community services such as elder and childcare provider search, referrals, tools to improve emotional well-being, and a library of articles, videos, and webinars.

SDCC encourages employees to use this valuable service whenever they have such a need. Employees who choose to use the EAP are assured the information disclosed in their sessions is confidential and not available to SDCC, nor is SDCC given any information on who chooses to use the services.

## **Employee Cafe**

Employees can enjoy free meals, beverages, and snacks during their meal and rest periods each shift at Tides Café. Free meals are subject to change based on the annual Board-approved budget.

## **Employee Parking**

Employees who wish to park in the parking garage at SDCC may purchase a negotiated monthly or daily rate through Ace Parking with an SDCC identification badge. The special monthly rate is \$100.00, and the daily rate is \$6.00, subject to change as pricing is set by the Port of San Diego, who owns the parking

garage. Employees who wish to enroll in monthly parking shall contact Human Resources. Ace Parking reserves the right to change the parking rates and restrict parking in certain areas on certain days and times. Monthly and daily rates and parking cards are not to be shared, loaned, or transferred.

### **Event Ticketing and Admission**

Clients may occasionally provide admission and/or discounted tickets for SDCC employees to attend their events on premises. Distribution of complimentary tickets for employees will be coordinated by Management. It is the employee's responsibility to:

- Not barter or sell the tickets,
- Return unused tickets prior to the event, and
- Refrain from personally requesting complimentary tickets from the client.

### **State Unemployment Insurance**

This program is funded entirely by employers in this state. The program provides weekly benefits for employees who become unemployed due to circumstances described in the law. Employees should apply for unemployment compensation at the California Employment Development Department (administrator of unemployment compensation matters). Questions about unemployment insurance should be directed to the California Employment Development Department at [www.edd.ca.gov](http://www.edd.ca.gov).

### **State Disability Insurance**

The California State Disability Insurance (SDI) program provides temporary income replacement benefits (pay) for eligible employees who are unable to work due to a nonwork-related disability or illness. SDI benefits are paid by the state and are financed from mandatory payroll tax deductions from all employee wages. Benefits generally begin after the seventh day following an illness or injury and are administered and paid through the EDD. Generally, SDI benefits are equivalent to approximately 60-70 percent (depending on income) of an employee's normal wages for up to 52 weeks. To receive benefits, employees must apply at the California Employment Development Department. Additional information may be found at [www.edd.ca.gov](http://www.edd.ca.gov). If you have questions or need information about how to make a claim, please contact [benefits@visitsandiego.com](mailto:benefits@visitsandiego.com).

### **State Paid Family Leave**

Employees may be eligible for Paid Family Leave (PFL) partial wage replacement benefits, which are funded through payroll deductions and coordinated through the California Employment Development Department (EDD) and is part of the SDI program. PFL provides temporary compensation when an employee needs to take leave from work to:

- Care for a parent, parent-in-law, child, spouse, registered domestic partner, grandparent, grandchild, or sibling who is seriously ill,
- For a working parent who wants time to bond with their newborn, foster child or newly adopted child, and
- For qualifying military events based on the overseas military deployment of the employee's spouse, registered domestic partner, parent, or child ("Military Assist").

Generally, PFL benefits are equivalent to approximately 60-70 percent (depending on income) of an employee's normal wages, for up to 8 weeks in a 12-month period. Employees are required to use their accrued PTO (up to two weeks) before they will be eligible to receive PFL benefits. Employees with less than two weeks of accrued PTO leave will be required to use all of their accrued PTO before they will be

eligible for PFL benefits. The PFL program does not provide employees with a right to a leave of absence. Rather, it is a state-mandated wage replacement benefit. To receive benefits, employees must apply at the California Employment Development Department. Additional information may be found at [www.edd.ca.gov](http://www.edd.ca.gov). If you have questions or need information about how to apply for PFL, please contact [benefits@visitsandiego.com](mailto:benefits@visitsandiego.com).

### **Social Security**

The Federal Social Security Act covers all employees. This plan is designed to provide future security for retirement, disability, death, survivor, and Medicare benefits. An employee's income is taxed a specific percentage each paycheck to fund this mandatory plan. Additionally, SDCC matches the employee's contribution, dollar for dollar. Each employee is required to have a social security card and number. Under no circumstances will an employee be hired without a social security number. An employee who changes their name (e.g., due to marriage) should change their name on their Social Security card by contacting the Social Security office to complete the necessary forms for such change.

### **Leave of Absences**

SDCC provides employees with several leaves of absence, which are described below. To request a leave of absence, employees are required to complete the Leave of Absence Request form, which is available on the home page of UKG. Completed forms must be directly submitted to Human Resources via their supervisor with all required documentation. Human Resources will determine if the leave is to be authorized. Pursuant to applicable federal and state law, SDCC does not discriminate or retaliate against an employee who exercises their rights to take a protected leave of absence or opposes unlawful discrimination against another employee.

You may be eligible for the following leave of absences:

- Family and Medical Leave
- California Family Rights Act
- Pregnancy Disability Leave
- Personal Leave
- Victims of Crime Leave
- Volunteer Civil Service Personnel Leave
- Military Leave
- School Activities and Appearance Leave
- Bone Marrow and Organ Donor Leave
- Workers' Compensation Leave

For more information regarding these programs, please refer to the Leave of Absence Policy on the homepage of UKG.

### **Employee Safety**

SDCC is committed to maintaining a safe and healthy environment for all employees and visitors. All employees can contribute to creating a safe work environment by completing required training and following all programs and rules to reduce the potential for incidents and injuries. Employees have the responsibility to notify management when any safety hazards are present and to always keep fellow



employees safe. In addition, employees must promptly report any injury or incident, regardless of how minor, to their supervisor.

In compliance with California Code of Regulations, Title 8, Section 3208 (CCR Title 8 §3203) – Injury and Illness Prevention Program (IIPP), SDCC has developed and implemented an IIPP, designed to prevent workplace accidents, injuries, and illnesses. A copy of this program is located in the safety section on the homepage of UKG.

### **Workplace Violence Prevention**

SDCC 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 SDCC's premises.

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 behavior should promptly inform their supervisor or Human Resources. 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 SDCC, 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 subject to disciplinary measures, including immediate termination of employment.

### **Personal Protective Equipment**

SDCC will provide all employees with any necessary Personal Protective Equipment (PPE), including appropriate masks, goggles, face shields, gloves, gowns, protective suits, respirators, foot coverings and other PPE in accordance with applicable OSHA and Cal/OSHA recommendations and legal requirements. All time spent putting on and taking off PPE must be "on the clock" and will be counted as working time.

## Acknowledgment of Receipt of Employee Handbook

I hereby acknowledge receipt of the Employee Handbook of San Diego Convention Center. 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 (CBA).

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 SDCC 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.

By selecting the “accept box” in UKG, I am signing the Employee Handbook electronically.



111 W. Harbor Drive, San Diego, CA 92101

619.525.5000

**[visitsandiego.com](http://visitsandiego.com)**

## Agenda Item 3.B

San Diego Convention Center Corporation  
PERSONNEL POLICY



### Religious Accommodation Policy

Effective Date: October 2024

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#### PURPOSE:

SDCC respects the religious beliefs and practices of all employees and will make, on request, an accommodation for such observances when a reasonable accommodation is available that does not create an undue hardship on the company's business.

#### POLICY:

##### Requesting a Religious Accommodation

Employees whose religious beliefs or practices conflict with their job, work schedule, SDCC's policy or practice on dress and appearance, or other aspects of employment and who seek a religious accommodation must submit a written request for the accommodation to their Human Resources Business Partner. The written request will include the type of religious conflict that exists and the employee's suggested accommodation (see included request form).

##### Providing Religious Accommodation

Human Resources will evaluate the request considering whether a work conflict exists due to a sincerely held religious belief or practice and whether an accommodation is available that is reasonable and that would not create an undue hardship on SDCC's business. An accommodation may be a change in job, using paid leave or leave without pay, allowing an exception to the dress and appearance code that does not affect safety requirements, or other aspects of employment. Depending on the type of conflict and suggested accommodation, the supervisor may confer with their manager and the Human Resources department.

The supervisor/manager and employee will meet to discuss the request and decision on an accommodation. If the employee accepts the proposed religious accommodation, the department head or their designee will implement the decision. If the employee rejects the proposed accommodation, they may appeal following the company's general grievance policy and procedure.

SDCC reserves the right to modify accommodations based on business needs.

## Agenda Item 3.B

San Diego Convention Center Corporation  
PERSONNEL POLICY



### Religious Accommodation Policy

Effective Date: October 2024

#### RELIGIOUS ACCOMMODATION REQUEST FORM

##### Part 1: To be completed by employee

Name:	Department:
Date of request:	Immediate supervisor:
Requested accommodation ( <i>job change, schedule change, dress/appearance code exception, vaccination exemption, etc.</i> ):	
Length of time the accommodation is needed:	
Describe the religious belief or practice that necessitates this request for accommodation:	
Describe any alternate accommodations that might address your needs:	

I have read and understand SDCC's policy on religious accommodation. My religious beliefs and practices, which result in this request for a religious accommodation, are sincerely held. I understand that the accommodation requested above may not be granted but that the company will attempt to provide a reasonable accommodation that does not create an undue hardship on the company. I understand that SDCC may need supporting documentation regarding my religious practice and beliefs to further evaluate my request for a religious accommodation.

Employee signature: \_\_\_\_\_

Date: \_\_\_\_\_

##### Part 2: To be completed by the employee's immediate supervisor

Describe the requested accommodation:
Evaluation of impact ( <i>if any</i> ):
<input type="checkbox"/> Approved <input type="checkbox"/> Denied
If the requested accommodation is denied, list alternative accommodations ( <i>list in order of preference</i> ): 1. 2. 3.
Date discussed with employee:
Final accommodation agreed upon:
If no agreement on an accommodation, provide an explanation:

Immediate supervisor signature: \_\_\_\_\_

Date: \_\_\_\_\_

Manager of immediate supervisor signature: \_\_\_\_\_

Date: \_\_\_\_\_

Human Resources Business Partner signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **Agenda Item 4.A.1**

# **SAN DIEGO CONVENTION CENTER CORPORATION**

## **MEMORANDUM**

**TO: Board of Directors**

**FROM: Alyssa Turowski, Audit Chair**

**DATE: For the Agenda of October 30, 2024**

**RE: Approve Draft FY 2024 Audited Annual Financial Report**

---

### **BACKGROUND**

The City Charter requires an annual independent audit of all accounts and books of the City of San Diego and its related entities, including the San Diego Convention Center Corporation. By agreement with the City, the Corporation is required to present its audited financial statements annually to its Board of Directors.

San Diego City Council awarded a contract for FY2019 – FY2023 financial audit services to Macias Gini & O’Connell, LLP (MGO). To maintain consistency of reporting and to piggyback on the City of San Diego contract, SDCC also engaged in a single source contract for the period May 1, 2019 – April 30, 2024 (FY2019 – FY2023). As of May 2024, the City of San Diego had not yet awarded a contract for their FY2024 financial audit services, so the Corporation implemented a one (1) year audit contract extension with Macias Gini & O’Connell (MGO) for the FY2024 financial audit services.

### **DISCUSSION**

MGO has completed the audit fieldwork of the Corporation’s financial statements for the year ended June 30, 2024. The draft FY2024 Audited Financial Report along with the Auditor’s Required Communication is included with this communication. The audit engagement partner, Linda Hurley, along with her team, will present at the board meeting.

Staff provided more commentary in this year’s Management Discussion and Analysis than in previous years to emphasize the necessity of dedicated funding for ongoing maintenance and capital investments at the Center. The “Highlights to Financial Results” section outlines the continued commitment to developing a comprehensive capital and maintenance plan. Additionally, the “Economic Factors and Next Year’s Budget” section offers greater detail on the funding requirements and the steps management is taking to enhance capital planning and investments.

Board of Directors  
Agenda Item 4.A.1  
October 30, 2024  
Page 2

RECOMMENDATION:

Staff recommends to the Board of Directors approve the FY2024 Audited Financial Report.

\_\_\_\_\_/s/  
Alyssa Turowski,  
Audit Committee Chair

## **Agenda Item 4.A.1**

### **SAN DIEGO CONVENTION CENTER CORPORATION**

Report to the Communication with the  
Board Directors and the Audit Committee

For the Year Ended June 30, 2024

DRAFT



**SAN DIEGO CONVENTION CENTER CORPORATION**  
Communication with the Board of Directors and the Audit Committee  
For the Year Ended June 30, 2024

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## **Transmittal Letter**

October XX, 2024

To the Board of Directors and  
the Audit Committee  
San Diego Convention Center Corporation  
San Diego, California

We are pleased to present this report related to our audit of the financial statements of San Diego Convention Center Corporation (the Corporation) as of and for the year ended June 30, 2024. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Organization's financial reporting process.

This report is intended solely for the information and use of the Board of Directors, the Audit Committee, and management of the corporation, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the Organization.

[Firm Signature]

**SAN DIEGO CONVENTION CENTER CORPORATION**  
Communication with the Board of Directors and the Audit Committee  
For the Year Ended June 30, 2024

## REQUIRED COMMUNICATIONS

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication With Those Charged With Governance*), collectively hereafter, the auditing standards require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the basic financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

### **Our Responsibilities With Regard to the Financial Statement Audit**

Our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States have been described to you in our arrangement letter dated June 13, 2024. Our audit of the basic financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

### **Overview of the Planned Scope and Timing of the Financial Statement Audit**

We have issued a separate communication dated September 11, 2024 regarding the planned scope and timing of our audit and identified significant risks.

## ACCOUNTING POLICIES AND PRACTICES

### **Preferability of Accounting Policies and Practices**

Under accounting principles generally accepted in the United States of America (U.S. GAAP), in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

### **Adoption of, or Change in, Accounting Policies**

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Corporation. As described in Note 2 to the financial statements. The following is a description of significant accounting policies or their application that were either initially selected or changed during the year:

- The Corporation implemented Governmental Accounting Standards Board (GASB) Statement No. 99, *Omnibus 2022*, the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB statements No. 53 were effective for the fiscal year ended June 30, 2024. The implementation of GASB Statement No. 99 did not have a material impact on the financial statements.
- The Corporation implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*, effective for the fiscal year ended June 30, 2024. The implementation of GASB Statement No. 100 did not have a material impact on the financial statements.

### **Significant Accounting Policies**

We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### **Significant Unusual Transactions**

We did not identify any significant unusual transactions.

**SAN DIEGO CONVENTION CENTER CORPORATION**  
Communication with the Board of Directors and the Audit Committee  
For the Year Ended June 30, 2024

**Management's Judgments and Accounting Estimates**

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.

- Management's estimate of the depreciation expense for capital assets is computed using the straight-line method based on the estimated useful-life, which is determined by management.
- Management's estimates of the fair value of investments, except the cash equivalent investment contracts, repurchase agreement and bank money market funds, are based on quoted prices, bid evaluation, or matrix pricing techniques. The repurchase agreement is valued an amortized cost and the bank money market funds are measured at the net asset value (NAV) per share (or its equivalent).
- Management's estimate of the allowance of doubtful accounts is based on experience and information about each receivable including evaluating individual customer accounts receivable and considering the customer's financial condition, credit history and current economic conditions.
- Management's estimate of the workers' compensation claim liability is based on the third-party administrators' reports including claim settlements and adjustments consulted with the industry specialists.
- Management's estimate of the compensated employee absences is based on experience and information about employees' paid-time off usage.
- Management's estimate of the net present value (NPV) of right-to-use leased asset and lease liabilities are based on the periodical contract payments and discount rate for calculation of the liabilities and associating right-to-use assets, which is based on the SDCCC's estimated incremental borrowing rate using the prime rate plus one (1) percent.

We evaluated the key factors and assumptions used to develop management's estimates listed above and determined that it is reasonable in relation to the basic financial statements taken as a whole.

**Audit Adjustments and Uncorrected Misstatements**

Audit adjustments, other than those that are clearly trivial, and recorded by the Corporation are shown as follows:

- |    |   |             |             |
|----|---|-------------|-------------|
| 1. | Dr. Long-term portion of compensated employee absences  | \$1,352,453 |             |
|    | Cr. Current portion of compensated employee absences  |             | \$1,352,453 |
|    | <i>To reclassified the current portion of compensated employee absences from long-term portion.</i> |             |             |

There is no impact to changes in the total net position.

**SAN DIEGO CONVENTION CENTER CORPORATION**  
Communication with the Board of Directors and the Audit Committee  
For the Year Ended June 30, 2024

Uncorrected misstatements or matters underlying these uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if we have concluded that the uncorrected misstatements are immaterial to the financial statements under audit. We identified the following uncorrected misstatement and omission that management has concluded are not, individually or in the aggregate, material to the basic financial statements. We agree with management's conclusion in that regard.

<b>Item 1</b>	Dr. Unearned Income - Licensees - Long-term (RC)	\$62,389	
	Cr. Unearned Income – Licensees		\$62,389

*To reclass 2024 events from long-term to short-term*

**Item 2** Management implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, in fiscal year 2023 and considered the effect immaterial. Management concluded the impact for fiscal 2024 continues to be immaterial. The subscription arrangements meeting the capitalization threshold at June 20, 2024, equal to a commitment of \$955,266, with payments due through fiscal year 2029. The impact has not been present valued as required by GASB Statement No. 96, and if recorded would result in the Corporation recording a right to use asset off-set by a liability at the present value of the commitment and related disclosures.

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**OBSERVATIONS ABOUT THE AUDIT PROCESS**

**Disagreements With Management**

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the basic financial statements.

**Consultations With Other Accountants**

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

**Significant Issues Discussed With Management**

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

**SAN DIEGO CONVENTION CENTER CORPORATION**  
Communication with the Board of Directors and the Audit Committee  
For the Year Ended June 30, 2024

**Significant Difficulties Encountered in Performing the Audit**

We did not encounter any significant difficulties in dealing with management during the audit.

**Difficult or Contentious Matters That Required Consultation**

We did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.

**Shared Responsibilities for Independence**

Independence is a **joint responsibility** and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with American Institute of Certified Public Accountants (AICPA) and *Government Accountability Office* (GAO) independence rules. For MGO to fulfill its professional responsibility to maintain and monitor independence, management, the Corporation's Board of Directors and Audit Committee and MGO each play an important role.

**Our Responsibilities**

- AICPA and GAO rules require independence both of mind and in appearance when providing audit and other attestation services. MGO is to ensure that the AICPA and GAO's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

**The Organization's Responsibilities**

- Timely inform MGO, before the effective date of transactions or other business changes, of the following:
- New affiliates, directors, or officers.
- Changes in the organizational structure or the reporting entity impacting affiliates such as partnerships, related entities, investments, joint ventures, component units, jointly governed organizations.
- Provide necessary affiliate information such as new or updated structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.
- Understand and conclude on the permissibility, prior to the Organization and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with MGO.
- Not entering into arrangements of non-audit services resulting in MGO being involved in making management decisions on behalf of the Organization.
- Not entering into relationships resulting in close family members of MGO covered persons, temporarily or permanently acting as an officer, director, or person in an accounting, financial reporting or compliance oversight role at the Organization.

**SAN DIEGO CONVENTION CENTER CORPORATION**  
Communication with the Board of Directors and the Audit Committee  
For the Year Ended June 30, 2024

**Internal Control and Compliance Matters**

We have separately communicated on internal control and compliance over financial reporting as required by *Government Auditing Standards*. Additionally, we have reported our observations to management of the SDCCC in a separate letter.

**Significant Written Communications Between Management and Our Firm**

We have requested certain written representations from management of the Corporation, which we received in a letter dated October XX, 2024.

DRAFT

**SAN DIEGO CONVENTION CENTER CORPORATION**  
Communication with the Board of Directors and the Audit Committee  
For the Year Ended June 30, 2024

**EXHIBIT A**

**RECENT ACCOUNTING PRONOUNCEMENTS**

The following accounting pronouncements have been issued as of Government Accounting Standard Board (GASB) as of October XX, 2024, but are not yet effective and may affect the future financial reporting by the Corporation. The Corporation will assess what financial impact, if any.

Pronouncement	Summary	Effective Fiscal Year
<b>GASB Statement No. 101,</b> <i>Compensated Absences</i>	The objectives of this Statement is to be better meet the informational needs of financial statement users by updating the recognition and measurement guidance for compensated absences.	<b>FY 2025</b>
<b>GASB Statement No. 102,</b> <i>Certain Risk Disclosures</i>	The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.	<b>FY 2025</b>
<b>GASB Statement No. 103,</b> <i>Financial Reporting Model Improvement</i>	The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.	<b>FY 2026</b>



## **Agenda Item 4.A.1**

### **SAN DIEGO CONVENTION CENTER CORPORATION**

(A Component Unit of the City of San Diego,  
California)

Independent Auditor's Report and  
Basic Financial Statements

As of and for the Year Ended June 30, 2024

DRAFT

**SAN DIEGO CONVENTION CENTER CORPORATION**  
(A Component Unit of the City of San Diego, California)  
Independent Auditor's Report and Basic Financial Statements  
As of and for the Year Ended June 30, 2024

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## **Independent Auditor's Report**

To the Board of Directors San Diego Convention Center Corporation  
City of San Diego, California

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the San Diego Convention Center Corporation (SDCCC), a component unit of the City of San Diego, California (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the SDCCC's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the SDCCC as of June 30, 2024, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SDCCC 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 audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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.

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 SDCCC's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the 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 GAAS and *Government 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 SDCCC'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 SDCCC's ability to continue as a going concern for a reasonable period of time.

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.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October XX, 2024, on our consideration of SDCCC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SDCCC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SDCCC's internal control over financial reporting and compliance.

San Diego, California  
October XX, 2024

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**SAN DIEGO CONVENTION CENTER CORPORATION**  
(A Component Unit of the City of San Diego, California)  
Management's Discussion and Analysis  
For the Year Ended June 30, 2024  
(Unaudited)

As management of the San Diego Convention Center Corporation ("SDCCC"), we offer readers of SDCCC's financial statements this narrative overview and analysis of the financial activities of SDCCC for the year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the accompanying notes to those statements appearing in this report.

### **Overview of the Financial Statements**

This discussion and analysis is to serve as the introduction to SDCCC's basic financial statements. We report our financial information using accounting methods similar to those used by private-sector companies. These statements offer short-term and long-term financial information about its activities.

The Statement of Net Position presents information on all SDCCC's assets and liabilities as of June 30, 2024. The difference between assets and liabilities is reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of SDCCC is improving or deteriorating.

The Statement of Revenues, Expenses and Change in Net Position presents information showing changes in SDCCC's net position during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused paid time off).

The Statement of Cash Flows presents information showing cash receipts and cash payments during the fiscal year, a reconciliation of operating income to net cash provided by operating activities, investing activities, and financing activities.

### **Highlights to Financial Results**

SDCCC's core business has returned to pre-pandemic revenue levels as of June 30, 2024, along with a focus on re-building staffing levels to support activity. Additionally, SDCCC has been building an engineering department, including long-term capital planning in coordination with the City of San Diego (City) team, to ensure the building maintains the necessary infrastructure and functionality to continue to welcome guests to the destination, generating tax revenue and economic impact for the region.

**SAN DIEGO CONVENTION CENTER CORPORATION**  
(A Component Unit of the City of San Diego, California)  
Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2024  
(Unaudited)

**Management Financial Statement Analysis**

The following is a summary of SDCCC's assets, liabilities and net position as of June 30, 2024 and 2023.

	June 30, 2024	June 30, 2023	Percentage Increase (Decrease)
<b>Assets</b>			
Cash and cash equivalents	\$ 7,963,046	\$ 10,455,325	-24%
Restricted cash	2,120,790	1,770,790	20%
Investments	25,169,159	22,745,894	11%
Accounts receivable, net	8,525,419	6,316,905	35%
Prepaid expenses	1,320,145	1,147,357	15%
Deposits with others	143,177	135,504	6%
Inventory	48,891	53,081	-8%
Note receivable	-	374,556	-100%
Capital assets, net	36,336,607	33,488,593	9%
Total assets	<u>81,627,234</u>	<u>76,488,005</u>	7%
<b>Liabilities</b>			
Accounts payable	1,016,166	1,184,431	-14%
Accrued liabilities	1,719,232	1,046,930	64%
Accrued workers' compensation claims liability	1,250,636	873,815	43%
Accrued I-Bank interest and loan administrative fee	381,929	396,855	-4%
Retention payable	146,860	22,473	553%
Unearned income	8,126,715	7,334,168	11%
Compensated employee absences	1,673,920	1,479,898	13%
Long-term liabilities	22,021,494	23,406,337	-6%
Total liabilities	<u>36,336,952</u>	<u>35,744,907</u>	2%
<b>Net position</b>			
Net investment in capital assets	15,812,960	11,580,103	37%
Restricted*	2,120,790	1,770,790	20%
Unrestricted	27,356,532	27,392,205	0%
Total net position	<u>\$ 45,290,282</u>	<u>\$ 40,743,098</u>	11%

\* \$1.8 million of net position for 2023 was reclassified to restricted to reflect amounts held as collateral for workers' compensation insurance.



**SAN DIEGO CONVENTION CENTER CORPORATION**  
(A Component Unit of the City of San Diego, California)  
Management's Discussion and Analysis (Continued)  
For the Year Ended June 30, 2024  
(Unaudited)

Assets

Total assets for fiscal year 2024 increased by \$5.1 million, or 7%, reaching \$81.6 million from \$76.5 million in fiscal year 2023, driven by an increase of \$2.8 million, or 9%, in net capital assets largely due to higher investments in capital assets. When combined, cash and cash equivalents and investments saw a modest decrease of \$0.1 million, or 0.2%, totaling \$33.1 million. Restricted cash increased \$0.4 million, or 20%, to \$2.1 million due to increase in required collateral for workers' compensation insurance. Accounts receivable, net, increased by \$2.2 million, or 35%, due to higher event activity of enhanced quality which drove revenue growth from April through June 2024.

Liabilities

Total liabilities for fiscal year 2024 increased by \$0.6 million, or 2%, to \$36.3 million as compared to \$35.7 million from fiscal year 2023 with offsetting category fluctuations. Unearned income increased by \$0.8 million, or 11%, while long-term debt decreased by \$1.4 million, or 6%, due to principal payments. Accrued liabilities increased by \$0.7 million, or 64%, mainly due to contract services incurred in June 2024 which were paid in July 2024. Accrued workers' compensation increased by \$0.4 million, or 43%, due to increase in workers' compensation claims and reserves.

Net Position

Total net position for fiscal year 2024 increased by \$4.5 million or 11% to \$45.3 million. Net investment in capital assets increased by \$4.2 million, or 37%. Restricted net position increased \$0.4 million, or 20%, due to increase in required collateral for workers' compensation insurance.

**SAN DIEGO CONVENTION CENTER CORPORATION**  
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The following is a summary of SDCCC's changes in net position for the years ended June 30, 2024 and 2023.

	Period ended June 30, 2024	Period ended June 30, 2023	Percentage Increase (Decrease)
<b>Operating revenues</b>			
Rental	\$ 8,712,894	\$ 9,936,614	-12%
Food and beverage	14,178,694	12,782,573	11%
Ancillary services***	22,710,339	19,000,433	20%
Sponsorship***	312,500	305,502	2%
Other revenue	31,812	4,599	592%
Total operating revenues	<u>45,946,239</u>	<u>42,029,721</u>	9%
<b>Operating expenses</b>			
Salaries and wages	23,241,273	20,374,538	14%
Fringe benefits	6,356,633	4,897,999	30%
Utilities	6,423,892	5,934,973	8%
Services and supplies	7,825,113	7,949,661	-2%
Depreciation & amortization	3,336,330	2,921,622	14%
Marketing contract	2,729,500	2,655,000	3%
Total operating expenses	<u>49,912,741</u>	<u>44,733,793</u>	12%
<b>Operating income (loss)</b>	<u>(3,966,502)</u>	<u>(2,704,072)</u>	-47%
<b>Non-operating revenues (expenses)</b>			
Contributions - City of San Diego**	7,734,650	2,655,000	191%
Interest income	1,346,997	632,338	113%
Interest expense	(844,625)	(831,283)	2%
Loan administrative fee	(64,914)	(67,435)	-4%
Gain on sales of disposal of capital assets	15,299	-	100%
Other income	187,550	220,443	-15%
Total non-operating revenue (expenses), net	<u>8,374,957</u>	<u>2,609,063</u>	-221%
Income (loss) before capital contributions	4,408,455	(95,009)	4740%
Capital contributions	138,729	-	100%
Change in net position	4,547,184	(95,009)	4886%
Net position - beginning of year	40,743,098	40,838,107	0%
Net position - end of year	<u>\$ 45,290,282</u>	<u>\$ 40,743,098</u>	11%

\*\* The contribution from the City of San Diego in 2023 was reclassified from operating revenues to non-operating revenues for consistency with FY2024's presentation.

\*\*\* Digital Advertising of \$388,052 in FY2023 was reclassified from Sponsorship to Ancillary Service for consistency with FY2024's presentation.

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**Operating Revenue**

Total operating revenues generated in fiscal year 2024 amounted to \$45.9 million as compared to \$42.0 million for fiscal year 2023, an increase of \$3.9 million, or 9%. The change was the result of a concentrated sales effort to book more corporate, technology, and medical shows that typically yield better business opportunities for internal partners and the surrounding businesses while maximizing hotel occupancy to generate a greater regional impact and produce tax revenue for the City.

**Operating Expenses**

Total operating expenses incurred during fiscal year 2024 were \$49.9 million, up from \$44.7 million for fiscal year 2023, an increase of \$5.2 million, or 12%. Salary and fringe benefit expenses increased by \$4.3 million, or 17%, due to increased personnel costs, workers' compensation claims and retirement contributions. The rise in personnel costs was a combination of annual wage increases and collective bargaining agreement renegotiations aimed at retaining our workforce along with the creation of a new engineering and capital planning department to address long-term building rehabilitation and maintenance needs. Additionally, utilities increased by \$0.5 million, or 8%. Service and supplies expenses were similar to 2023. Depreciation and amortization expenses increased \$0.4 million, or 14%, due to an increase in capital investment in 2024. Additionally, the San Diego Tourism Authority ("SDTA") marketing agreement increased by nearly \$0.1 million, or 3%, due to the contractual annual increase.

**Non-operating Revenue and Expenses, net**

Non-operating revenues, net for fiscal year 2024 were \$8.4 million compared to \$2.6 million in the prior year, an increase of \$5.8 million. Contributions from the City increased \$5.1 million to \$7.7 million due to receiving operational support for increased personnel and maintenance costs. Interest income increase \$0.7 million to \$1.3 million due to SDCCC continuing to maintain significant cash and investment balances and the increased market interest rates.

**Capital Assets Analysis**

As of June 30, 2024, SDCCC had a net capital asset book value of \$36.3 million, as compared to \$33.5 million as of June 30, 2023, an increase of \$2.8 million, or 9%. Capital assets are spread across a broad range of computer, office and operating equipment, telecommunications, leasehold improvements and right-to-use leased assets. Net capital assets increased due to acquisitions of nearly \$6.2 million exceeding depreciation and amortization incurred in fiscal year 2024 totaling \$3.3 million.

**Debt Analysis**

Effective December 6, 2016, SDCCC and the City, as co-lessees entered into a financing obligation agreement with the I-Bank to finance capital infrastructure improvement projects valued at \$25.5 million ("Facility Fund"). The agreement calls for the Facility Fund to be amortized over 25 years at a 3.59% interest rate and 0.3% loan administrative fee of the outstanding principal balance. As of June 30, 2024, SDCCC had an outstanding balance of \$21.6 million. A total of \$1.7 million (including principal, interest, and loan administrative fee) was paid in fiscal year 2024.

Effective February 3, 2023, SCCC entered into a noncancelable lease agreement with Ward and Burke Tunneling Inc. to lease a truck marshal yard and warehouse space. The lease commenced April 1, 2023, and expires March 31, 2025. The total principal and interest payments are \$1,231,644 with an implicit rate

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of 9%. As of June 30, 2024, SDCCC had an outstanding balance of \$0.5 million. A total of \$0.6 million (principal and interest) was paid in fiscal year 2024.

**Economic Factors and Next Year's Budget**

The convention center continues to be the premier gathering place in the region, consistently generating significant economic benefits for the greater San Diego area through hosting international and national conventions and trade shows. Fiscal year 2024 saw robust attendance, with travel patterns and spending surpassing pre-pandemic levels. Fiscal year 2025 is expected to set a remarkable revenue milestone, with projected operational performance reaching record highs. This success is driven by an event line-up that includes some very large medical shows and corporate events. Despite this impressive revenue growth, SDCCC is also facing unprecedented operational expenses, driven by high wage demands, rising utility costs, and the establishment of an engineering and capital projects department to plan capital projects and oversee major maintenance initiatives.

In addition, SDCCC has completed a facility condition assessment that identifies over \$400 million in projected capital needs over the next 20 years for asset replacement and modernization. In response, SDCCC created a dedicated engineering and capital projects department to manage maintenance and develop a long-term renewal plan, resulting in an increase of over \$3 million in annual costs. Given current funding limitations, SDCCC plans to only address critical CIP needs in the near term. SDCCC's Board has approved utilizing approximately \$8.8 million of the reserve balance for planned capital expenditures in fiscal year 2025. The current approach to funding urgent capital needs is unsustainable, as highlighted in the May 2024 City of San Diego - Office of the Independent Budget Analyst (IBA) report, which warns of escalating costs due to deferred maintenance without a sustainable or dedicated funding source. Although Measure C—a citizen initiative aimed at addressing SDCCC's expansion and modernization—could potentially provide funding, its uncertain outcome emphasizes the need for a proactive, long-term financial strategy to meet these critical needs. There is also a Sales Tax Measure on the November 2024 ballot that could potentially increase revenue for the City, which is intended to fund deferred maintenance of facilities and infrastructure, among other City properties.

Moreover, the Third Amendment of the City-SDCC Management Agreement requires SDCCC to project and request an allocation of City funding specifically for marketing, promotion, and/or capital projects during the City's annual budget process. However, this request must compete with other City priorities, which has historically limited the support received. As an additional funding revenue, the City could consider redirecting funds from maturing Convention Center Bonds starting in fiscal year 2029. Given these challenges, SDCCC anticipates the need for larger subsidy requests in fiscal year 2026 to stabilize resources and fulfill its operational obligations.

Operational contributions from the City for fiscal year 2024 totaled \$7.7 million as compared to \$2.7 million for fiscal year 2023, an increase of \$5.0 million. In fiscal year 2025, SDCCC is expecting the City to contribute \$2.8 million for SDTA marketing efforts and \$0.5 million to support SDCCC's pump station repairs.

**SAN DIEGO CONVENTION CENTER CORPORATION**  
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Management's Discussion and Analysis (Continued)  
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**Request for Information**

This financial report is designed to provide a general overview of SDCCC's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the CFO at the San Diego Convention Center Corporation, 111 West Harbor Drive, San Diego, CA 92101.

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## **BASIC FINANCIAL STATEMENTS**

**SAN DIEGO CONVENTION CENTER CORPORATION**

(A Component Unit of the City of San Diego, California)

**Statement of Net Position**

June 30, 2024

**Assets**

## Current assets:

Cash and cash equivalents	\$ 7,963,046
Restricted cash	2,120,790
Investments	5,248,152
Accounts receivable, net	8,025,419
Prepaid expenses	1,320,145
Deposits with others	143,177
Inventory	48,891
Total current assets	<u>24,869,620</u>

## Noncurrent assets:

Investments	19,921,007
Accounts receivable	500,000

## Capital assets:

Construction in progress	4,642,487
Furniture, equipment and software	8,149,595
Leasehold improvements	66,824,031
Right-to-Use leased asset	1,122,331
Less: Accumulated depreciation and amortization	(44,401,837)
Total capital assets, net	<u>36,336,607</u>

Total non-current assets	<u>56,757,614</u>
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**Total assets**81,627,234**Liabilities**

## Current liabilities:

Accounts payable	1,016,166
Accrued liabilities	1,719,232
Accrued workers' compensation claims liability	1,250,636
Accrued I-Bank interest and loan administrative fee	381,929
Retention payable	146,860
Unearned income	5,113,674
Compensated employee absences	1,352,453
Current portion of long-term liabilities	1,326,880
Total current liabilities	<u>12,307,830</u>

## Noncurrent liabilities:

Long-term compensated employee absences	321,467
Long-term liabilities	20,694,614
Long-term portion of unearned income	3,013,041
Total noncurrent liabilities	<u>24,029,122</u>

Total liabilities	36,336,952
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**Net position**

Net investment in capital assets	15,812,960
Restricted	2,120,790
Unrestricted	27,356,532
Total net position	<u>\$ 45,290,282</u>

See Accompanying Notes to the Basic Financial Statements.

**SAN DIEGO CONVENTION CENTER CORPORATION**  
(A Component Unit of the City of San Diego, California)  
Statement of Revenues, Expenses and Changes in Net Position  
For the Year Ended June 30, 2024

**Operating revenues**

Rental revenue:	
Convention and trade shows	\$ 7,344,104
Corporate/incentive events	340,212
Consumer shows	382,630
Meetings and seminars	141,007
Cancelled events	324,194
Local trade shows	180,747
Food and beverage revenue	14,178,694
Ancillary service revenue:	
Utilities	8,602,957
Telecommunications	5,991,110
Event and cleaning services	5,915,737
Audio visual	1,745,664
Digital advertising	454,871
Sponsorship	312,500
Other revenue	31,812
Total operating revenues	<u>45,946,239</u>

**Operating expenses**

Salaries and wages	23,241,273
Fringe benefits	6,356,633
Utilities	6,423,892
Repairs and maintenance	3,920,230
General expenses	1,682,416
Depreciation and amortization	3,336,330
Contractual marketing and sales	2,729,500
Contracted services	813,234
Supplies	562,979
Insurance	691,035
Sales and marketing	25,194
Travel and transportation	68,046
Telecommunications	61,979
Total operating expenses	<u>49,912,741</u>
<b>Operating income (loss)</b>	<u>(3,966,502)</u>

**Non-operating revenues (expenses)**

Contributions - City of San Diego	7,734,650
Investment Income	1,346,997
Interest expense	(844,625)
Loan administrative fee	(64,914)
Gain on sales of capital assets	15,299
Other income	187,550
Total non-operating revenues, net	<u>8,374,957</u>
Income before capital contribution	4,408,455
Capital contributions	<u>138,729</u>
Change in net position	4,547,184
<b>Net position - beginning of year</b>	<u>40,743,098</u>
<b>Net position - end of year</b>	<u>\$ 45,290,282</u>

See Accompanying Notes to the Basic Financial Statements.



**SAN DIEGO CONVENTION CENTER CORPORATION**

(A Component Unit of the City of San Diego, California)

## Statement of Cash Flows

For the Year Ended June 30, 2024

**Cash flows from operating activities**

Receipts from customers	\$ 45,092,378
Payments to suppliers for goods and services	(17,357,049)
Payments to employees for services	(28,942,412)
Net cash provided by operating activities	<u>(1,207,083)</u>

**Cash flows from noncapital financing activities**

Contribution from the City of San Diego	<u>7,734,650</u>
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**Cash flows from capital and related financing activities**

Acquisition and construction of capital assets	(5,299,569)
Repayment of long-term debt	(1,384,843)
Interest and loan administrative fees paid on long-term debt	(924,465)
Sales of capital assets	15,299
Net cash used in capital and related financing activities	<u>(7,593,578)</u>

**Cash flows from investing activities**

Purchases of investments	(20,197,304)
Sales of investments	17,774,039
Proceed from investments	1,346,997
Net cash used in investing activities	<u>(1,076,268)</u>

Net increase in cash and cash equivalents (2,142,279)

**Cash and cash equivalents - beginning of year** 12,226,115

**Cash and cash equivalents - end of year** \$ 10,083,836

(continued)

See Accompanying Notes to the Basic Financial Statements.

**SAN DIEGO CONVENTION CENTER CORPORATION**

(A Component Unit of the City of San Diego, California)

Statement of Cash Flow (Continued)

For the Year Ended June 30, 2024

**Reconciliation of operating income to net cash provided by  
operating activities**

Operating income (loss)	\$ (3,966,502)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	3,336,330
Other income (expense)	187,550
Changes in operating assets and liabilities:	
Increase in receivables	(1,833,958)
Increase in prepaid expenses	(172,788)
Increase in deposits with others	(7,673)
Decrease in accounts payable	(294,604)
Increase in compensated employee absences	194,022
Increase in accrued liabilities - payroll	84,651
Decrease in accrued liabilities - non-payroll	(27,866)
Increase in workers' compensation claims liability	376,821
Increase in retention payable	124,387
Increase in unearned income	792,547
Net cash provided by operating activities	<u>\$ (1,207,083)</u>

**Noncash capital and related financing activities**

Acquisition of capital assets included in accounts payable and accrued liabilities	\$ 741,856
Capital asset contribution	138,729



See Accompanying Notes to the Basic Financial Statements

**SAN DIEGO CONVENTION CENTER CORPORATION**  
(A Component Unit of the City of San Diego, California)  
Notes to the Basic Financial Statements  
For the Year Ended June 30, 2024

**NOTE 1. REPORTING ENTITY**

San Diego Convention Center Corporation (SDCCC) is a not-for-profit public benefit corporation originally organized to market, operate, and maintain the San Diego Convention Center (Convention Center).

SDCCC acts in accordance with its By-Laws, the City of San Diego's (City) Charter, and the City's Municipal Code. The City is the sole member of SDCCC and appoints seven voting members to the Board of Directors of SDCCC. Since the City appoints the voting members of the Board of Directors of SDCCC and is able to impose its will on the SDCCC, the City, as the primary government, is financially accountable for SDCCC. In accordance with accounting principles generally accepted in the United States, SDCCC is a blended component unit of the City.

The Convention Center was constructed by the San Diego Unified Port District (District) on land owned by the District. Construction was completed in the fall of 1989 and the Convention Center opened in November 1989. An expansion of the Convention Center that roughly doubled the size of the facility was constructed by the City and completed in September 2001. The City has an agreement with the District to manage the Convention Center.

SDCCC has a management agreement with the City to provide sales and marketing, operating and maintenance services for the Convention Center. The agreement provides that the City will allocate to SDCCC approved budgetary amounts for marketing, promotion and capital projects for the Convention Center (refer to Note 6).

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. *Basis of Accounting and Measurement Focus***

The financial transactions of SDCCC are reported using the economic resources measurement focus and the full accrual basis accounting under which revenues are recognized as earned and expenses are recognized as incurred. SDCCC distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing event meeting space, goods and services in connection with SDCCC's principal ongoing operations. SDCCC's principal operating revenues include event meeting space rental revenues, food and beverage commissions, event and cleaning service revenues, other ancillary service revenues and contributions from the City that are used to fund marketing, promotion and capital projects. SDCCC's principal operating expenses includes salaries and wages, fringe benefits, utilities, repairs & maintenance, contractual marketing & sales, and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is SDCCC's policy to use restricted resources first, then unrestricted resources as they are needed.

**B. *Cash and Cash Equivalents***

SDCCC's cash and cash equivalents for purposes of the statement of cash flows are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**SAN DIEGO CONVENTION CENTER CORPORATION**  
(A Component Unit of the City of San Diego, California)  
Notes to the Basic Financial Statements (Continued)  
For the Year Ended June 30, 2024

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. *Accounts Receivable***

Accounts receivable is reported net of an allowance for estimated uncollectible amounts. Management estimates an uncollectible amount of \$57,625 at June 30, 2024, using its allowance calculation methodology based on collection activity, historical write-off rates and comparable industry standards.

Long-term receivables in the amount of \$500,000 represent incentive payments to be received by SDCCC on July 1, 2026, from Centerplate in consideration of the SDCCC's extension of Centerplate's exclusive food and beverage contract through June 30, 2026. This agreement was amended on October 2, 2020, to further extend the remaining incentive payment amortization period to June 30, 2028.

**D. *Prepaid Expenses***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

**E. *Leases***

At the commencement of a lease with contractual terms longer than 12 months, SDCCC initially measures the lease payable at the present value of payments expected to be made during the lease term. Subsequently the lease payable is reduced by the principal portion of lease payments paid.

Key estimates and judgements include how SDCCC determines (1) interest rate it uses to calculate the present value of the expected lease payments, (2) lease term, and (3) lease payments.

- The interest rate is based on the rate stated in the lease agreement, if not stated, then SDCCC estimates in incremental borrowing rate based on the prime rate plus 1%.
- The lease term includes the non-cancellable period of the lease.

**F. *Inventory***

Inventory consists of spare parts that will be used and capitalized or expensed (according to capitalization policy thresholds) when the assets are placed into service.

**SAN DIEGO CONVENTION CENTER CORPORATION**  
(A Component Unit of the City of San Diego, California)  
Notes to the Basic Financial Statements (Continued)  
For the Year Ended June 30, 2024

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Capital Assets**

Capital assets are reported at cost. Capital assets are defined as assets with an initial cost of more than \$15,000 per item and a useful life of greater than one year. Recurring normal maintenance and repair costs are charged to operation, whereas major repairs, improvements and replacements that extend the asset's useful life or service utility are capitalized. Capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Right-to-use leased asset	2
Data processing equipment and software	3-10
Telecommunication equipment	5
Office furniture and operating equipment	7 – 15
Leasehold improvements	10 – 30

**H. Unearned Income**

Unearned income represents funds received from customers that pertain to enforceable future contractual obligations. Building rent deposits, revenue contract incentive payments and advertising payments are recognized once the event has occurred, or the contractual obligation has been fulfilled. The future events scheduled after June 30, 2025, are reported as noncurrent unearned income.

**I. Compensated Employee Absences**

Accumulated annual leave (PTO) is compensated time off for eligible employees who are absent from work and is recorded in the Statement of Net Position. The amount recorded is expected to be used in accordance with SDCCC's personnel guidelines for vacation, illness, and personal business, with a maximum accumulation of 480 hours per employee. Until March 31, 2020, full-time employees were allowed up to 120 hours paid compensation in lieu of annual leave provided they maintained a minimum balance of 40 hours and had taken a minimum of 80 hours of paid leave during the prior twelve-month period. This program was subsequently suspended for expense reduction purposes, with occasional time-restricted windows having taken place for payouts for balances meeting certain criteria (typically to reduce risk of accrual cap-outs for employees with higher balances).

SEIU represented part-time employees are paid their annual leave balance that exceeds 40 hours within 30 days of fiscal year-end. Teamster represented part-time employees are paid their annual leave balance that exceeds 40 hours within 30 days of fiscal year-end.

**J. Components of Net Position**

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and amortization and reduced by outstanding debt that is attributed to the acquisition, construction or improvement of the assets, net of any unspent loan proceeds, which as of June 30, 2024, was \$15,812,960.

**SAN DIEGO CONVENTION CENTER CORPORATION**  
(A Component Unit of the City of San Diego, California)  
Notes to the Basic Financial Statements (Continued)  
For the Year Ended June 30, 2024

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***J. Components of Net Position (Continued)***

Restricted – This amount consists of assets that have external restrictions imposed by creditors, grantors, contributions, or laws or regulations of other governments, reduced by liabilities related to those assets. As of June 30, 2024, the \$2,120,790 of restricted net position reported is related to workers' compensation insurance collateral requirements.

Unrestricted – This amount is the portion of net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

***K. Income Taxes***

SDCCC has received notice from the Internal Revenue Service that it is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code. SDCCC is also exempt from state franchise taxes on related income pursuant to California Revenue and Taxation Code Section 23701(d). However, the Corporation is subject to income taxes on any net income that is derived from a trade or business carried on, and not in furtherance of the purposes for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the accompanying financial statements.

***L. Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Management believes that the estimates made are reasonable.

***M. New Accounting Pronouncements***

The following GASB Statements have been issued and are effective for the year ended June 30, 2024.

- GASB Statement No. 99, *Omnibus 2022*, the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB statements No. 53 were effective for the fiscal year ended June 30, 2024. The implementation of GASB Statement No. 99 did not have a material impact on the financial statements.
- GASB Statement No. 100, *Accounting Changes and Error Corrections*, effective for the fiscal year ended June 30, 2024. The implementation of GASB Statement No. 100 did not have a material impact on the financial statements.

**SAN DIEGO CONVENTION CENTER CORPORATION**  
(A Component Unit of the City of San Diego, California)  
Notes to the Basic Financial Statements (Continued)  
For the Year Ended June 30, 2024

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. New Accounting Pronouncements (Continued)**

The following GASB Statements have been issued but not yet effective for the year ended June 30, 2024. SDCCC is assessing what financial statement impact, if any, these Statements will have:

- GASB Statement No. 101, *Compensated Absences*, effective for the fiscal year ending June 30, 2025.
- GASB Statement No. 102, *Certain Risk Disclosures*, effective for the fiscal year ending June 30, 2025.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for the fiscal year ending June 30, 2026.

**NOTE 3. CASH AND INVESTMENTS**

Cash and investments as reported in the statement of net position are categorized as follows at June 30, 2024:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Cash on hand	\$ 5,237	\$ -
Bank checking and saving deposits	6,974,486	-
Money market mutual funds	3,104,113	-
Fixed income investments	-	25,169,159
Total cash and investments book balance	<u>\$ 10,083,836</u>	<u>\$ 25,169,159</u>

At June 30, 2024, the book balance of SDCCC's cash on hand and deposits was \$10,083,836 and the bank balance was \$10,125,828. Of the bank balance, \$250,000 was covered by Federal depository insurance. The remaining uninsured balance is collateralized, with the collateral held by an affiliate of the counterparty's financial institution.

A formal deposit and investment policy was approved in August 2010 and amended in December 2017 by SDCCC's Board of Directors, which addresses custodial credit risk, interest rate risk, credit quality risk and allowable investments. SDCCC is provided a broad spectrum of eligible investments under California Government Code (CGC) 53600 which includes: obligations of the U.S. government, its agencies and instrumentalities; investment grade state and local government securities; certificates of deposit; bankers' acceptances; commercial paper; repurchase agreements; and money market mutual funds whose portfolios consist only of domestic securities.

**SAN DIEGO CONVENTION CENTER CORPORATION**  
(A Component Unit of the City of San Diego, California)  
Notes to the Basic Financial Statements (Continued)  
For the Year Ended June 30, 2024

**NOTE 3. CASH AND INVESTMENTS (Continued)**

SDCCC's Investment Policy is governed by the California Government Code (CGC), 56000 et seq. The following table represents the authorized investments, requirements and restrictions per the CGC and the SDCCC investment policy:

Investment Type	Maximum Maturity		Maximum % of Portfolio		Minimum Rating	
	SDCCC		SDCCC		SDCCC	
	CGC	Policy <sup>1</sup>	CGC	Policy <sup>1</sup>	CGC	Policy <sup>1</sup>
Local Agency Bonds	5 years	5 years	None	None	None	None
U.S. Treasury Obligations (bills, notes, or bonds)	5 years	5 years	None	None	None	None
State Obligations - CA and Others	5 years	5 years	None	None	None	None
CA Local Agency Obligations	5 years	5 years	None	None	None	None
U.S. Agency Obligations	5 years	5 years	None	None	None	None
Bankers' Acceptances	180 days	180 days	40%	40%	None	None
Commercial Paper - Non-Pooled Funds	270 days	270 days	25%	25%	Highest letter and number rating	Highest letter and number rating
Negotiable Certificates of Deposit	5 years	5 years	30%	30%	None	None
Non-negotiable Certificates of Deposit	5 years	5 years	None	None	None	None
CD Placement Service	5 years	5 years	30%	30%	None	None
Repurchase Agreements	1 year	1 year	None	None	None	None
Reverse Repurchase Agreements	92 days	92 days	20%	20%	None	None
Medium-Term Notes	5 years	5 years	30%	30%	A	A
Money Market Mutual Funds	None	None	20%	20%	AAA	AAA
Collateralized Bank Deposits	5 years	5 years	None	None	None	None
Mortgage Pass-Through Securities	5 years	5 years	20%	20%	AA	AA
Local Agency Investment Fund	None	None	None	\$75 million	None	None
Supranational Obligations	5 years	5 years	30%	30%	AA	AA
Issued Saving & Bank Money Market Accounts	N/A	N/A	N/A	N/A	N/A	N/A

<sup>1</sup> In the absence of a specified maximum, the maximum is 5 years.

Investments and cash equivalents as reported in the statement of net position are categorized as follows at June 30, 2024:

*Fair Value Measurements*

GASB Statement No. 72 requires that investments be categorized within a fair value hierarchy based upon fair value measurements. Fair value measurements are classified and disclosed in one of the following three categories:

- Level 1: Inputs are quoted prices in an active market that are accessible at the measurement date for identical assets or liabilities;
- Level 2: Inputs other than quoted prices that are either directly or indirectly observable;
- Level 3: Significant unobservable inputs are used when little or no market activity is available.



**SAN DIEGO CONVENTION CENTER CORPORATION**  
(A Component Unit of the City of San Diego, California)  
Notes to the Basic Financial Statements (Continued)  
For the Year Ended June 30, 2024

**NOTE 3. CASH AND INVESTMENTS (Continued)**

Fair value is defined as the quoted market value on the last trading day of the period, obtained from various pricing sources by our custodian bank. SDCCC does not value any of its investments using Level 1 and Level 3 inputs. Investment in repurchase agreements are valued at amortized cost and is exempt from the fair value hierarchy. Investments that are measured at fair value using the net asset value per share (or its equivalent) are not classified in the fair value hierarchy. SDCCC values investments in government money market mutual funds at NAV, and therefore are not subject to the fair value hierarchy.

The table below represents SDCCC's fair value hierarchy for reporting its investments as of June 30, 2024:

	<u>Fair Value</u>	<u>Level 2</u>
<b>Investment at Fair Value</b>		
U.S. Treasury Bills	\$ 14,397,048	\$ 14,397,048
U.S. Agency Bonds	5,105,768	5,105,768
Corporate Bonds	5,666,343	5,666,343
	<u>25,169,159</u>	<u>\$ 25,169,159</u>
 <b>Investment Measured at the Net Asset Value (NAV)</b>		
Money Market Mutual Funds	<u>3,104,113</u>	
	<u>\$ 28,273,272</u>	

GASB Statement No. 40 requires that risks for deposits and investments with fair values as it relates to credit risk, concentration of credit risk, and interest rate risk be disclosed. SDCCC minimizes exposure by limiting investments to short-term, safe securities such as mutual funds or similar investment pools to ensure preservation of capital as well as pre-qualifying brokers and diversification of the investment portfolio. In order to maintain proper cash flow requirements, funds are continuously invested in readily available securities to ensure appropriate liquidity is maintained.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. SDCCC mitigates this risk by investing a portion of funds in short-term securities of less than a year in order to meet operational cash requirements and structuring the investment portfolio to allow securities to mature to avoid selling on the open market. As of June 30, 2024, SDCCC's investment interest rate risk by maturity is as follows:

	<b>Investment Maturity</b>					
	<u>Under 1 Month</u>	<u>1 - 6 Months</u>	<u>6 - 12 Months</u>	<u>1 - 3 Years</u>	<u>Over 3 Years</u>	<u>Fair Value</u>
U.S. Treasury Bills	\$ -	\$ -	\$ -	\$ 6,602,859	\$ 7,794,189	\$ 14,397,048
U.S. Agency Bonds	-	706,251	2,202,028	2,197,489	-	5,105,768
Corporate Bonds	469,822	-	1,870,051	3,326,470	-	5,666,343
Money Market Mutual Funds	3,104,113	-	-	-	-	3,104,113
	<u>\$ 3,573,935</u>	<u>\$ 706,251</u>	<u>\$ 4,072,079</u>	<u>\$ 12,126,818</u>	<u>\$ 7,794,189</u>	<u>\$ 28,273,272</u>

**SAN DIEGO CONVENTION CENTER CORPORATION**  
(A Component Unit of the City of San Diego, California)  
Notes to the Basic Financial Statements (Continued)  
For the Year Ended June 30, 2024

**NOTE 3. CASH AND INVESTMENTS (Continued)**

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill their obligation to the holder of the investment. This is measured by using an average of the rating assignments from three nationally recognized statistical rating organizations (NRSRO). The three NRSROs used in the average credit rating are S&P Global Rating, Moody's Investor Services & Fitch Ratings. SDCCC mitigates credit risk through its Investment Policy. Section I of the Investment Policy outlines the authorized investments, requirements, and investment restrictions. As of June 30, 2024, SDCCC's investment and corresponding credit ratings are follows:

	<u>Fair Value</u>	<u>Credit Rating</u>
Corporate Bonds	\$ 451,961	AA+
Corporate Bonds	467,320	AA-
Corporate Bonds	453,973	A+
Corporate Bonds	893,270	A
Corporate Bonds	2,462,702	A-
Corporate Bonds	937,117	BBB+
Money Market Mutual Funds	3,104,113	N/A
U.S. Agency Bonds	5,105,768	AA+
U.S. Treasury Bills	14,397,048	AA+
	<u>\$ 28,273,272</u>	

*Based on average of S&P, Moody's & Fitch*

Concentration of Credit Risk

GASB Statement No. 40 also requires disclosure of investments in any one issuer (other than U.S. Treasury securities, money market mutual funds, and external investment pools) that represent 5% or more of total investments. For the fiscal year ended June 30, 2024, no investments made up 5% or more of the total funds invested.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and SDCCC's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure SDCCC deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

**SAN DIEGO CONVENTION CENTER CORPORATION**  
(A Component Unit of the City of San Diego, California)  
Notes to the Basic Financial Statements (Continued)  
For the Year Ended June 30, 2024

**NOTE 4. CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2024, is as follows:

	Balance June 30, 2023	Additions	Deletions	Transfers In/Out	Balance June 30, 2024
Non-Depreciable Capital Assets:					
Construction in Progress	\$ 709,092	\$ 6,184,344	\$ -	\$ (2,250,949)	\$ 4,642,487
Depreciable and Amortizable Capital Assets					
Furniture, Equipment and Software	6,964,940	-	(237,962)	1,422,617	8,149,595
Leasehold Improvements	65,995,699	-	-	828,332	66,824,031
Right-to-use Leased Asset	1,122,331	-	-	-	1,122,331
Total Depreciable and Amortizable Capital Assets	74,082,970	-	(237,962)	2,250,949	76,095,957
Less Accumulated Depreciation and Amortization:					
Furniture, Equipment and Software	(4,722,849)	(528,370)	237,962	-	(5,013,257)
Leasehold Improvements	(36,440,329)	(2,246,794)	-	-	(38,687,123)
Right-to-use Leased Asset Amortization	(140,291)	(561,166)	-	-	(701,457)
Total Accumulated Depreciation and Amortization	(41,303,469)	(3,336,330)	237,962	-	(44,401,837)
Total Depreciable and Amortizable Capital Assets, Net	32,779,501	(3,336,330)	-	2,250,949	31,694,120
Capital Assets, Net	\$ 33,488,593	\$ 2,848,014	\$ -	\$ -	\$ 36,336,607

Depreciation and amortization expenses for the year ended June 30, 2024 were \$3,336,330.

**NOTE 5. LONG-TERM LIABILITIES**

**A. *Compensated Employee Absences***

A summary of changes in accrued compensated employee absences for the year ended June 30, 2024, is as follows:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Current Portion
Compensated Employee Absences	\$ 1,479,898	\$ 1,877,873	\$ (1,683,851)	\$ 1,673,920	\$ 1,352,453

**B. *Notes Payable, Financing Obligation, and Lease Payable***

***Financing Obligation***

On December 6, 2016, SDCCC (borrower) and the City, as co-borrowers entered into a financing obligation agreement with the California Infrastructure and Economic Development Bank (I-Bank), as the borrower for a loan amount of \$25,500,000 (the "Facility Funds"). Under the financing obligation agreement, the Facility Funds were used to pay the convention center building (the "Financed Asset") improvement costs.

**SAN DIEGO CONVENTION CENTER CORPORATION**  
(A Component Unit of the City of San Diego, California)  
Notes to the Basic Financial Statements (Continued)  
For the Year Ended June 30, 2024

**NOTE 5. LONG-TERM LIABILITIES (Continued)**

***B. Notes Payable, Financing Obligation, and Lease Payable (Continued)***

***Financing Obligation***

The City and SDCCC are jointly and severally liable for all payment obligations under the financing obligation agreement. The Facility Funds are secured by the Financed Asset. In addition, the financing obligation agreement contains certain customary representations and warranties, affirmative covenants, and events of default. If such an event of default were to occur, the borrower under the financing obligation agreement would be entitled to take various actions, including without termination of the financing obligation agreement, collect all amounts owing under the financing obligation agreement until maturity.

The Facility Funds bear a 3.59% annual interest rate and a 0.3% loan administrative fee based upon the outstanding principal balance. The financing obligation agreement requires annual principal repayment commencing on August 1, 2019 and ending on August 1, 2041. Per agreement with the City, SDCCC has budgeted for and made payments on the full amount due under the financing obligation agreement beginning on August 1, 2019. In any given year, to the extent that payment obligations, infrastructure capital, and operations and maintenance expenditures exceed SDCCC's available funding, SDCCC will seek further budgetary allocation from the City.

***Lease Payable***

SDCCC entered into a noncancelable lease effective April 1, 2023, through March 31, 2025, for the truck marshal yard and warehouse space. The total of principal and interest payments are \$ 1,231,644 with an implicit rate of 9%.

A summary of changes in notes payable, the financing obligation, and lease payable for the year ended June 30, 2024, is as follows:

	<b>Balance</b>			<b>Balance</b>	<b>Current</b>
	<b>June 30, 2023</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2024</b>	<b>Portion</b>
I-Bank Financing Obligation	\$ 22,410,635	\$ -	\$ (842,881)	\$ 21,567,754	\$ 873,140
Lease payable	995,702	-	(541,962)	453,740	453,740
	<u>\$ 23,406,337</u>	<u>\$ -</u>	<u>\$ (1,384,843)</u>	<u>\$ 22,021,494</u>	<u>\$ 1,326,880</u>

**SAN DIEGO CONVENTION CENTER CORPORATION**  
(A Component Unit of the City of San Diego, California)  
Notes to the Basic Financial Statements (Continued)  
For the Year Ended June 30, 2024

**NOTE 5. LONG-TERM LIABILITIES (Continued)**

***C. Amortization Requirements***

Annual requirements to amortize the financing lease and lease payable as of June 30, 2024, including interest payments to maturity, are as follows:

Year Ending June 30,	Financing Obligation			Lease Payable	
	Principal	Interest	Annual Fee	Principal	Interest
2025	873,140	745,549	62,302	453,740	17,185
2026	904,486	713,172	59,597	-	-
2027	936,957	679,632	56,794	-	-
2028	970,594	644,888	53,890	-	-
2029	1,005,438	608,897	50,883	-	-
2030 - 2034	5,595,244	2,457,740	205,382	-	-
2035 - 2039	6,674,338	1,343,134	112,240	-	-
2040 - 2043	4,607,557	183,084	15,300	-	-
	<u>\$ 21,567,754</u>	<u>\$ 7,376,096</u>	<u>\$ 616,388</u>	<u>\$ 453,740</u>	<u>\$ 17,185</u>

**NOTE 6. ECONOMIC DEPENDENCY**

SDCCC receives contributions from the City as specified in a management agreement between SDCCC and the City. The agreement provides that the City will allocate to SDCCC approved budgetary amounts for marketing, promotion and capital projects for the Convention Center. During the year ended June 30, 2024, SDCCC received \$7,734,650 from the City as unrestricted funding to support operations.

**NOTE 7. DEFINED CONTRIBUTION PLAN**

The San Diego Convention Center Corporation's Money Purchase Pension Plan (Plan) is a governmental plan under section 414(d) of the Internal Revenue Code, which was established effective January 1, 1986, by SDCCC's Board of Directors. The Plan is administered by SDCCC through a Defined Contribution Committee, represented by the SDCCC Board and staff, who act by a majority of its members in office to carry out the general administration of the Plan. Any recommended Plan amendments are subject to the approval and adoption by SDCCC's Board of Directors. As part of the Plan, SDCCC through Board action selected Charles Schwab Trust Bank as Trustee, to hold and administer Plan assets subject to the terms of the Plan. The Plan is a qualified defined contribution plan and, as such, benefits depend on amounts contributed to the Plan plus investment earnings less allowable plan expenses. The Plan covers all employees who have completed at least 1,000 hours of service in one year and are not covered through a union retirement plan. Full-time employees are eligible to participate in the plan on the first day of the month after completing 1,000 hours of service and receive contributions on a bi-weekly basis thereafter.

**SAN DIEGO CONVENTION CENTER CORPORATION**  
(A Component Unit of the City of San Diego, California)  
Notes to the Basic Financial Statements (Continued)  
For the Year Ended June 30, 2024

**NOTE 7. DEFINED CONTRIBUTION PLAN (Continued)**

Part-time employees not covered through a union retirement plan are eligible to participate in the plan after completion of 1,000 hours and receive contributions annually once they meet the 1,000 hours threshold requirement each year. For each Plan year, SDCCC contributes 10% of compensation paid after the employee becomes an eligible participant, which is transferred to the trustee on behalf of each qualifying individual.

A Plan year is defined as a calendar year. The balance in the Plan for each eligible employee is vested gradually over five years of continuing service, with an eligible employee becoming fully vested after five years. Forfeitures and Plan expenses are allocated in accordance with Plan provisions.

For the year ended June 30, 2024, pension expense amounted to \$1,645,141 with no employee contributions made to the Plan. Included in pension expense were forfeitures in the amount of \$31,546. SDCCC records pension expense during the fiscal year based upon employee compensation that is included in qualified gross compensation.

SDCCC offers its employees a deferred compensation plan, created in accordance with Internal Revenue Service Code Section 457, State and Local Government Deferred Compensation Plan. The plan permits eligible employees to defer, pre-tax, a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death, disability, or an unforeseeable emergency. All assets and income of the deferred compensation plan are held in trust for the exclusive benefit of plan participants and their beneficiaries.

In accordance with GASB Statement No. 84, *Fiduciary Activities*, the deferred compensation plans are not considered part of SDCCC's financial reporting entity.

During fiscal year 2024, non-qualified supplemental catch-up contributions of \$6,668 were made to the 457b plan for CEO Clifford Rippetoe. This was to make up pension shortfalls for calendar year 2022. These catch-up contributions of retirement expense were included as a part of the pension expense amount described above.

The Corporation makes monthly contributions to the SEIU National Pension Fund for all hours paid part-time employees covered by the Agreement Between San Diego Convention Center Corporation and Service Employees International Union (SEIU) United Services Workers West (USWW) Agreement Effective July 1, 2022 through June 30, 2027. For the year ended June 30, 2024 the SEIU National Pension Fund expense was \$131,618.

**NOTE 8. RISK MANAGEMENT**

The Corporation is self-insured for workers' compensation and maintains contracts with various insurance companies to manage its risks. The Corporation's self-insured retention amount is \$250,000 per claim for its workers' compensation program. Amounts in excess of \$250,000 are insured up to statutory limits.

Claim expenditures and estimated liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

**SAN DIEGO CONVENTION CENTER CORPORATION**  
(A Component Unit of the City of San Diego, California)  
Notes to the Basic Financial Statements (Continued)  
For the Year Ended June 30, 2024

**NOTE 8. RISK MANAGEMENT (Continued)**

A reconciliation of total liability claims for the Corporation's workers' compensation showing current and prior year activity is presented below:

<b>Balance, July 1, 2022</b>	\$ 869,894
Claims and Changes in Estimation	288,094
Claim Payments	<u>(284,172)</u>
<b>Balance, June 30, 2023</b>	873,816
Claims and Changes in Estimation	776,149
Claim Payments	<u>(399,329)</u>
<b>Balance, June 30, 2024</b>	<u><u>\$ 1,250,636</u></u>

During fiscal year 2024, there were no significant reductions in insurance coverage from the prior year. For each of the past three fiscal years, settlements which were covered by insurance have not exceeded the Corporation's insurance coverage limits.

**NOTE 9. COMMITMENTS**

**SDCCC as Lessor**

Effective March 22, 2013, SDCCC entered into a sublease agreement for truck marshal yard space for an initial term of 60 months, from April 1, 2013, through March 31, 2018, and exercised its option to extend for additional five years effective April 1, 2018 – March 31, 2023. The agreement was not renewed and continues on a month-to-month basis.

Rental income related to the sublease was \$175,991 for the year ended June 30, 2024.

**Construction Commitments**

As of June 30, 2024, SDCCC has begun work for electrical infrastructure upgrade and repair, west kitchen construction and equipment, and generator infrastructure upgrade. Chula Vista Electric Company has been contracted to conduct the electrical infrastructure upgrade work and started during fiscal year 2023 with a remaining commitment of \$427,145. Costa Azul Contracting Group has been contracted to conduct the West Kitchen construction and started during fiscal year 2024 with a remaining commitment of \$819,586. San Diego Restaurant Supply has been contracted to conduct the west kitchen equipment upgrade and replacements with a remaining amount of \$676,672. Neal Electric Corp. has been contracted to conduct a generator infrastructure upgrade with a remaining commitment of \$1,007,715.

**SAN DIEGO CONVENTION CENTER CORPORATION**  
(A Component Unit of the City of San Diego, California)  
Notes to the Basic Financial Statements (Continued)  
For the Year Ended June 30, 2024

**NOTE 10. CONTINGENT LIABILITIES**

SDCCC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

SDCCC is subject to various lawsuits as well as grievances by labor unions. SDCCC's management believes, based upon consultation with SDCCC attorneys, that any unasserted claims, in the aggregate, will not result in a material adverse financial impact on SDCCC.

SDCCC is covered by various insurance policies, the largest of which include property, liability and workers' compensation, with deductibles that vary from \$1,000 to \$250,000. SDCCC management believes that SDCCC's insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize. There have been no insurance claim settlements that exceeded insurance coverage during the past three fiscal years.

**NOTE 11. SUBSEQUENT EVENTS**

On August 22, 2024, SDCCC entered into the Fourth Extension of Food and Beverage Services Contract with Service America Corporation dba Sodexo Live! effective October 1, 2024, which extends the contract through June 30, 2038.

On August 29, 2024, SDCCC entered into an Industrial Real Estate Lease contract with Santa Ana Energy Properties, LLC., to lease a property in Chula Vista, California. SDCCC intends to use the leased property as a truck marshal yard. The lease commences September 1, 2024 through December 31, 2034 and includes an option to extend two additional five-year periods.



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**Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance with *Government Audit Standards***

**Independent Auditor's Report**

To the Board of Directors  
San Diego Convention Center Corporation  
City of San Diego, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the San Diego Convention Center Corporation (SDCCC), a component unit of the City of San Diego, California, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise SDCCC's basic financial statements, and have issued our report thereon dated October XX, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered SDCCC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SDCCC's internal control. Accordingly, we do not express an opinion on the effectiveness of SDCCC's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether SDCCC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Diego, California  
October XX, 2024

DRAFT

## Agenda Item 4.B.1

### **CFO Report to Board of Directors For the month ending August 31, 2024** *(As of October 25, 2024)*

#### **Financial Performance:**

**Revenue:** In the first two months of the year, revenues slightly exceeded our budget expectations, even after accounting for two canceled events. We successfully hosted seven citywide events and five short-term events, welcoming nearly 200,000 visitors to the region in the first two months of the fiscal year.

**Expenses:** Most expense categories are currently under budget, as we are intentionally operating conservatively in the first half of the year in anticipation of budget adjustments from the City in early January. We do expect spending to increase in the coming months as we utilize the holiday season to do maintenance work.

**Operating results:** While the budgeted year-to-date operational loss was projected at \$3.4 million, our actual performance shows a loss of \$1.8 million, resulting in a favorable variance of \$1.6 million due to prudent spending.

The presentation of financial performance below is still considered a draft version and is summarized following the reformatted FY24 audited financials version. The operating loss reflects all business activities, including depreciation of equipment, before accounting for City subsidies, interest income, and taxes (note that SDCC is tax-exempt).

As of August, the unrestricted reserve balance for FY2025 started at \$27,356,529 and remains robust at approximately \$25.8 million, following the necessary IBank debt payments and capital investments.

## Agenda Item 4.B.1

### San Diego Convention Center Corporation - Detailed Statement of Revenues & Expenses

#### FY2025 Corporate Summary

For the Month Ended August 31, 2024

\*\*Draft\*\*

	Monthly Amounts			YTD Amounts			Annual	
	Budget	Actual	Act vs Bud Fav/(Unfav)	Budget	Actual	Act vs Bud Fav/(Unfav)	Budget	Remaining Budget
<b>REVENUES</b>								
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 4,006,551</b>	<b>\$ 4,014,754</b>	<b>\$ 8,203</b>	<b>\$ 7,623,692</b>	<b>\$ 7,804,480</b>	<b>\$ 180,788</b>	<b>\$ 47,826,988</b>	<b>\$ 40,022,508</b>
<b>EXPENSES</b>								
<b>Total: Personnel Expenses</b>	\$ 3,034,881	\$ 2,600,104	\$ 434,777	\$ 6,159,964	\$ 5,611,078	\$ 548,886	\$ 34,238,588	\$ 28,627,510
<b>Total: Supplies &amp; Services Expenses</b>	\$ 2,007,691	\$ 1,609,369	\$ 398,322	\$ 4,304,266	\$ 3,452,945	\$ 851,321	\$ 21,710,549	\$ 18,257,604
<b>Total: Depreciation &amp; Amortization</b>	\$ 285,289	\$ 285,216	\$ 73	\$ 570,578	\$ 569,674	\$ 904	\$ 3,573,484	\$ 3,003,810
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 5,327,861</b>	<b>\$ 4,494,689</b>	<b>\$ 833,172</b>	<b>\$ 11,034,808</b>	<b>\$ 9,633,698</b>	<b>\$ 1,401,110</b>	<b>\$ 59,522,621</b>	<b>\$ 49,888,923</b>
<b>NET OPERATING INCOME/(LOSS)</b>	<b>\$ (1,321,310)</b>	<b>\$ (479,935)</b>	<b>\$ 841,375</b>	<b>\$ (3,411,116)</b>	<b>\$ (1,829,218)</b>	<b>\$ 1,581,898</b>	<b>\$ (11,695,633)</b>	<b>\$ (9,866,415)</b>
<b>NON-OPERATING</b>								
Total: NON-OPERATING REVENUE	\$ 373,057	\$ 548,064	\$ 175,007	\$ 745,114	\$ 1,176,929	\$ 431,815	\$ 5,410,881	\$ 4,233,952
Total: NON-OPERATING EXPENSE	\$ 70,121	\$ 70,121	\$ (0)	\$ 143,440	\$ 143,440	\$ 0	\$ 834,036	\$ 690,596
<b>NET NON-OPERATING REVENUE (EXPENSE)</b>	<b>\$ 302,936</b>	<b>\$ 477,943</b>	<b>\$ 175,007</b>	<b>\$ 601,674</b>	<b>\$ 1,033,489</b>	<b>\$ 431,815</b>	<b>\$ 4,576,845</b>	<b>\$ -</b>
<b>CHANGE IN NET POSITION (YTD Income/Loss)</b>	<b>\$ (1,018,374)</b>	<b>\$ (1,992)</b>	<b>\$ 1,016,382</b>	<b>\$ (2,809,442)</b>	<b>\$ (795,729)</b>	<b>\$ 2,013,713</b>	<b>\$ (7,118,788)</b>	<b>\$ (6,323,059)</b>
<b>+ Depreciation (does not impact reserves)</b>	285,289	285,216	(73)	570,578	569,674	(904)	3,573,484	3,003,810
<b>- Principal: IBank Loan &amp; Lease Payable</b>	(49,289)	(49,289)	0	(971,351)	(971,351)	(0)	(1,467,880)	(496,529)
<b>- Capital Purchases</b>	(855,462)	(128,314)	727,148	(1,693,204)	(371,013)	1,322,191	(8,777,078)	(8,406,065)
<b>TOTAL NET IMPACT ON RESERVES</b>	<b>\$ (1,637,836)</b>	<b>\$ 105,620</b>	<b>\$ 1,743,456</b>	<b>\$ (4,903,419)</b>	<b>\$ (1,568,419)</b>	<b>\$ 3,335,000</b>	<b>\$ (13,790,262)</b>	<b>\$ (12,221,843)</b>

<b>OPERATING RESERVE ACTIVITY</b>								
<b>Beginning Operating Reserve:</b>	-	-	-	-	27,356,529	-	23,397,347	3,959,182
+ Change in Net Position	-	-	-	-	(795,729)	-	(7,118,788)	6,323,059
+ Depreciation & Amortization (No Impact)	-	-	-	-	569,674	-	3,573,484	(3,003,810)
- Principal Payments: IBank Loan & Leases	-	-	-	-	(971,351)	-	(1,467,880)	496,529
- Capital Investments	-	-	-	-	(371,013)	-	(8,777,078)	8,406,065
- Restricted Reserve	-	-	-	-	0	-	0	0
<b>Ending Operating Reserve Balance:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,788,110</b>	<b>-</b>	<b>9,607,085</b>	<b>16,181,025</b>
<b>Restricted Reserve Balance:</b>					<b>2,120,790</b>		<b>0</b>	<b>0</b>
MRM - Recommended Target Balance (25%)					10,544,485		10,544,485	
Target Balance (14%)					5,904,911		5,904,911	
Minimum Balance (8%)					3,374,235		3,374,235	

## Agenda Item 4.B.1

### San Diego Convention Center Corporation

#### Statement of Net Position

August 31, 2024

	August 31, 2024	June 30, 2024	Variance	% Change
<b>ASSETS</b>				
Cash and cash equivalents	5,879,122	7,963,046	(2,083,924)	-26%
Restricted Cash	2,120,790	2,120,790	0	0%
Investments	28,517,503	25,169,159	3,348,344	13%
Accounts receivable, net	6,988,920	8,525,419	(1,536,499)	-18%
Prepaid expenses	1,110,335	1,320,145	(209,810)	-16%
Deposits with others	143,177	143,177	0	0%
Inventory	48,891	48,891	0	0%
Note receivable	0	0	0	--
Capital assets, net	36,137,946	36,336,607	(198,661)	-1%
<b>Total Assets</b>	<b>80,946,685</b>	<b>81,627,234</b>	<b>(680,549)</b>	<b>-1%</b>
<b>LIABILITIES</b>				
Accounts payable	534,970	1,016,166	(481,196)	-47%
Accrued liabilities	2,671,446	1,719,232	952,214	55%
Accrued workers' compensation claims liability	1,256,965	1,250,636	6,329	1%
Accrued I-Bank interest and loan administrative fee	67,085	381,929	(314,844)	-82%
Retention payable	160,621	146,860	13,762	9%
Unearned income	8,902,190	8,126,715	775,474	10%
Compensated employee absences	1,808,711	1,673,920	134,791	8%
Long-term debt	21,050,143	22,021,494	(971,351)	-4%
<b>Total Liabilities</b>	<b>36,452,131</b>	<b>36,336,952</b>	<b>115,179</b>	<b>0%</b>
<b>NET POSITION</b>				
Net investment in capital assets	16,586,573	15,813,882	772,691	5%
Restricted	2,120,790	2,120,790	0	
Unrestricted	25,787,191	27,355,610	(1,568,419)	-6%
Total net position	44,494,553	45,290,282	(795,729)	-2%
<b>Total Liabilities and Net Position</b>	<b>80,946,685</b>	<b>81,627,234</b>	<b>(680,549)</b>	<b>-1%</b>

## Agenda Item 4.B.2

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

**TO:** Board of Directors

**FROM:** Will Rodriquez-Kennedy, Budget Chair

**DATE:** For the Agenda of October 30, 2024

**RE:** Authorization to Contract for Elevator and Escalator Maintenance with Otis Elevator Company

---

### BACKGROUND

The San Diego Convention Center operates 22 elevators (8 freight, 13 passenger, and 1 incline) and 14 escalators. Our current maintenance contract with KONE, covering testing, inspection, and repairs of these vertical transportation systems, expires on October 31, 2024.

### DISCUSSION

Staff issued a request for proposals (RFP) for elevator and escalator maintenance that included various service frequencies, enabling us to create a customized preventative maintenance strategy. This approach leveraged historical performance data from problem areas that required more frequent attention to enhance uptime while maintaining rigorous safety standards.

The Corporation received four proposals, which were evaluated based on the following criteria:

- Cost – 30%
- Maintenance Work Plan – 10%
- Sample Reports & Reporting Tools – 10%
- Comparable Accounts (similar size & complexity) – 10%
- Company Resume – 5%
- Proposed Equipment Inventory – 5%
- Safety Record – 5%
- Proposal Completion – 5%
- Ability to Meet Corporation's Requirements – 10%
- Shortlist Interview (if shortlisted) – 10%

After thorough evaluation, Otis Elevator Company was determined as the best overall value, offering a comprehensive and competitive proposal that includes preventive maintenance, emergency services, and critical support. Their pricing was deemed fair and reasonable within industry standards.

The core scope of the preventative maintenance contract with Otis Elevator is priced as follows:

- Year 1: \$431,144.94
- Year 2: \$444,079.29
- Year 3: \$457,401.67
- Year 4: \$466,549.70
- Year 5: \$471,215.20
- Total (5-Years): \$2,270,390.80

The core preventative maintenance cost is budgeted at \$360,000 for FY2025.

Following review of recent repair issues, staff recommend adding a comprehensive deep cleaning of all 14 escalators at an unbudgeted cost of \$339,264 in FY2025 to help ensure optimal performance and longevity of the equipment. In addition, staff propose including an annual and 5-year inspection line item, totaling \$250,000 in compliance costs over the next five years. The current annual budget for inspections is \$15,000 for FY2025.

Furthermore, the RFP addressed out-of-scope repairs and standby technician services, each budgeted at \$50,000 respectively in FY2025. These services will be provided on a time and materials basis, promoting transparency and cost control, for issues arising from vandalism, misuse, or negligence, which fall outside the scope of core preventative maintenance.

A summary of all services recommended with corresponding budget details is provided below:

Otis Contract Summary Items	FY2025 Budget	FY2025 Forecast Elevator/Escalator Expenses (KONE+OTIS)	Recommended Contract Value (Total 5-year period)
Preventative Maintenance	\$ 360,000.00	\$ 431,144.94	\$ 2,270,390.80
Out of Scope Repairs *See rates below	\$ 50,000.00	\$ 200,000.00	\$ 850,000.00
Technician Stand-by Rates *See rates below	\$ 50,000.00	\$ 50,000.00	\$ 250,000.00
Escalator Cleaning (recommended)	\$ -	\$ 339,264.00	\$ 339,264.00
Inspections	\$ 15,000.00	\$ 65,000.00	\$ 250,000.00
Total	\$ 475,000.00	\$ 1,085,408.94	\$ 3,959,654.80

Otis Technician hourly rates	Mechanic	Team
Straight time and stand-by	\$ 380.00	\$ 760.00
Overtime, Holiday and Weekends	\$ 570.00	\$ 1,140.00

Otis 5-year Inspection Rates	Rates
Traction Elevator	\$ 3,040.00
Hydraulic Elevator	\$ 1,520.00



RECOMMENDATION

Authorization to award a five-year elevator and escalator maintenance contract to Otis Elevator Company for a not to exceed contract value of \$3,959,654.79. Future maintenance periods under this contract will be included in the annual operating budget approval process each fiscal year.

/s/  
Will Rodriguez-Kennedy  
Budget Chair

**EQUAL OPPORTUNITY CONTRACTING (EOC)**

1200 Third Avenue, Suite 200 • San Diego, CA 92101  
Phone: (619) 236-6000 • Fax: (619) 236-5904

**WORK FORCE REPORT**

The objective of the *Equal Employment Opportunity Outreach Program*, San Diego Municipal Code Sections 22.3501 through 22.3517, is to ensure that contractors doing business with the City, or receiving funds from the City, do not engage in unlawful discriminatory employment practices prohibited by State and Federal law. Such employment practices include, but are not limited to unlawful discrimination in the following: employment, promotion or upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training, including apprenticeship. Contractors are required to provide a completed *Work Force Report (WFR)*.

**NO OTHER FORMS WILL BE ACCEPTED**

**CONTRACTOR IDENTIFICATION**

Type of Contractor: ☐ Construction ☒ Vendor/Supplier ☐ Financial Institution ☐ Lessee/Lessor  
☐ Consultant ☐ Grant Recipient ☐ Insurance Company ☐ Other

Name of Company: Otis Elevator Company

ADA/DBA: Otis Elevator Company

Address (Corporate Headquarters, where applicable): One Carrier Place

City: Farmington County: Hartford State: CT Zip: 06032

Telephone Number: (860) 676-6000 Fax Number: (860) 676-5111

Name of Company CEO: Judy Marks

Address(es), phone and fax number(s) of company facilities located in San Diego County (if different from above):

Address: 4949 Viewridge Avenue

City: San Diego County: San Diego State: CA Zip: 92123

Telephone Number: (858) 560-5881 Fax Number: 858-560-7465 Email: sarah.espinoza@otis.com

Type of Business: Elevator/Escalator Install Repair Type of License: Elevator Contractor License, C-11

The Company has appointed: Alecia Smith

As its Equal Employment Opportunity Officer (EEEO). The EEEO has been given authority to establish, disseminate and enforce equal employment and affirmative action policies of this company. The EEEO may be contacted at:

Address: Western Region

Telephone Number: (561) 339-9045 Fax Number: N/A Email: Alecia.Smith@otis.com

☐ One San Diego County (or Most Local County) Work Force - Mandatory

☒ Branch Work Force \*

☒ Managing Office Work Force

Check the box above that applies to this WFR.

\*Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county.

I, the undersigned representative of Otis Elevator Company

(Firm Name)

San Diego

CA

hereby certify that information provided

(County)

(State)

herein is true and correct. This document was executed on this 17th day of October, 2024



**Brian Kegler - Director & GM**

(Authorized Signature)

(Print Authorized Signature Name)

**WORK FORCE REPORT – Page 2**

NAME OF FIRM: Otis Elevator Company

DATE: 10/17/2024

OFFICE(S) or BRANCH(ES): San Diego

COUNTY: San Diego

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- |                                      |   |
|--------------------------------------|---|
| (1) Black or African-American        | (5) Native Hawaiian or Pacific Islander                 |
| (2) Hispanic or Latino               | (6) White   |
| (3) Asian                            | (7) Other race/ethnicity; not falling into other groups |
| (4) American Indian or Alaska Native |   |

Definitions of the race and ethnicity categories can be found on Page 4

ADMINISTRATION OCCUPATIONAL CATEGORY	(1) Black or African American		(2) Hispanic or Latino		(3) Asian		(4) American Indian/ Nat. Alaskan		(5) Pacific Islander		(6) White		(7) Other Race/ Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Management & Financial											8			
Professional						1					2			
A&E, Science, Computer														
Technical				1							1			
Sales				1	1	1					4	2		
Administrative Support			1			2						2		
Services														
Crafts														
Operative Workers														
Transportation														
Laborers*														

\*Construction laborers and other field employees are not to be included on this page

Totals Each Column			1	2	1	4					15	4		
--------------------	--	--	---	---	---	---	--	--	--	--	----	---	--	--

**Grand Total All Employees**
**27**

Indicate by Gender and Ethnicity the Number of Above Employees Who Are Disabled:

Disabled	N/A													
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Non-Profit Organizations Only:

Board of Directors														
Volunteers														
Artists														

**WORK FORCE REPORT – Page 3**NAME OF FIRM: Otis Elevator CompanyDATE: 10/17/2024OFFICE(S) or BRANCH(ES): San DiegoCOUNTY: San Diego

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- |                                      |   |
|--------------------------------------|---|
| (1) Black or African-American        | (5) Native Hawaiian or Pacific Islander                 |
| (2) Hispanic or Latino               | (6) White   |
| (3) Asian                            | (7) Other race/ethnicity; not falling into other groups |
| (4) American Indian or Alaska Native |   |

Definitions of the race and ethnicity categories can be found on Page 4

TRADE OCCUPATIONAL CATEGORY	(1) Black or African American		(2) Hispanic or Latino		(3) Asian		(4) American Indian/ Nat. Alaskan		(5) Pacific Islander		(6) White		(7) Other Race/ Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Brick, Block or Stone Masons														
Carpenters														
Carpet, Floor & Tile Installers Finishers														
Cement Masons, Concrete Finishers														
Construction Laborers														
Drywall Installers, Ceiling Tile Inst														
Electricians														
Elevator Installers	2		9						1		86			
First-Line Supervisors/Managers														
Glaziers														
Helpers; Construction Trade														
Millwrights														
Misc. Const. Equipment Operators														
Painters, Const. & Maintenance														
Pipelayers, Plumbers, Pipe & Steam Fitters														
Plasterers & Stucco Masons														
Roofers														
Security Guards & Surveillance Officers														
Sheet Metal Workers														
Structural Metal Fabricators & Fitters														
Welding, Soldering & Brazing Workers														
Workers, Extractive Crafts, Miners														

Totals Each Column	2		9						1		86			
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**Grand Total All Employees****98**

Indicate By Gender and Ethnicity the Number of Above Employees Who Are Disabled:

Disabled														
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--



## Work Force Report

### **HISTORY**

The Work Force Report (WFR) is the document that allows the City of San Diego to analyze the work forces of all firms wishing to do business with the City. We are able to compare the firm's work force data to County Labor Force Availability (CLFA) data derived from the United States Census. CLFA data is a compilation of lists of occupations and includes the percentage of each ethnicity we track (American Indian or Alaska Native, Asian, Black or African-American, Native Hawaiian or Pacific Islander, White, and Other) for each occupation. Currently, our CLFA data is taken from the 2010 Census. In order to compare one firm to another, it is important that the data we receive from the consultant firm is accurate and organized in the manner that allows for this fair comparison.

### **WORK FORCE & BRANCH WORK FORCE REPORTS**

When submitting a WFR, especially if the WFR is for a specific project or activity, we would like to have information about the firm's work force that is actually participating in the project or activity. That is, if the project is in San Diego and the work force is from San Diego, we want a San Diego County Work Force Report<sup>1</sup>. By the same token, if the project is in San Diego, but the work force is from another county, such as Orange or Riverside County, we want a Work Force Report from that county<sup>2</sup>. If participation in a San Diego project is by work forces from San Diego County and, for example, from Los Angeles County and from Sacramento County, we ask for separate Work Force Reports representing your firm from each of the three counties.

### **MANAGING OFFICE WORK FORCE**

Equal Opportunity Contracting may occasionally ask for a Managing Office Work Force (MOWF) Report. This may occur in an instance where the firm involved is a large national or international firm but the San Diego or other local work force is very small. In this case, we may ask for both a local and a MOWF Report<sup>1, 3</sup>. In another case, when work is done only by the Managing Office, only the MOWF Report may be necessary.<sup>3</sup>

### **TYPES OF WORK FORCE REPORTS:**

Please note, throughout the preceding text of this page, the superscript numbers one <sup>1</sup>, two <sup>2</sup> & three <sup>3</sup>. These numbers coincide with the types of work force report required in the example. See below:

<sup>1</sup> One San Diego County (or Most Local County)

Work Force – Mandatory in most cases

<sup>2</sup> Branch Work Force \*

<sup>3</sup> Managing Office Work Force

*\*Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county.*

### **RACE/ETHNICITY CATEGORIES**

**American Indian or Alaska Native** – A person having origins in any of the peoples of North and South America (including Central America) and who maintains tribal affiliation or community attachment.

**Asian** – A person having origins in any of the peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.

**Black or African American** – A person having origins in any of the Black racial groups of Africa.

**Native Hawaiian or Pacific Islander** – A person having origins in any of the peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

**White** – A person having origins in any of the peoples of Europe, the Middle East, or North Africa.

**Hispanic or Latino** – A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin.

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## Exhibit A: Work Force Report Job Categories – Administration

Refer to this table when completing your firm's Work Force Report form(s).

### Management & Financial

Advertising, Marketing, Promotions, Public  
Relations, and Sales Managers  
Business Operations Specialists  
Financial Specialists  
Operations Specialties Managers  
Other Management Occupations  
Top Executives

### Professional

Art and Design Workers  
Counselors, Social Workers, and Other Community  
and Social Service Specialists  
Entertainers and Performers, Sports and Related  
Workers  
Health Diagnosing and Treating Practitioners  
Lawyers, Judges, and Related Workers  
Librarians, Curators, and Archivists  
Life Scientists  
Media and Communication Workers  
Other Teachers and Instructors  
Postsecondary Teachers  
Primary, Secondary, and Special Education School  
Teachers  
Religious Workers  
Social Scientists and Related Workers

### Architecture & Engineering, Science, Computer

Architects, Surveyors, and Cartographers  
Computer Specialists  
Engineers  
Mathematical Science Occupations  
Physical Scientists

### Technical

Drafters, Engineering, and Mapping Technicians  
Health Technologists and Technicians  
Life, Physical, and Social Science Technicians  
Media and Communication Equipment Workers

### Sales

Other Sales and Related Workers  
Retail Sales Workers  
Sales Representatives, Services  
Sales Representatives, Wholesale and  
Manufacturing  
Supervisors, Sales Workers

### Administrative Support

Financial Clerks  
Information and Record Clerks  
Legal Support Workers

Material Recording, Scheduling, Dispatching,  
and Distributing Workers  
Other Education, Training, and Library  
Occupations  
Other Office and Administrative Support  
Workers  
Secretaries and Administrative Assistants  
Supervisors, Office and Administrative Support  
Workers

### Services

Building Cleaning and Pest Control Workers  
Cooks and Food Preparation Workers  
Entertainment Attendants and Related  
Workers  
Fire Fighting and Prevention Workers  
First-Line Supervisors/Managers, Protective  
Service Workers  
Food and Beverage Serving Workers  
Funeral Service Workers  
Law Enforcement Workers  
Nursing, Psychiatric, and Home Health Aides  
Occupational and Physical Therapist Assistants  
and Aides  
Other Food Preparation and Serving Related  
Workers  
Other Healthcare Support Occupations  
Other Personal Care and Service Workers  
Other Protective Service Workers  
Personal Appearance Workers  
Supervisors, Food Preparation and Serving  
Workers  
Supervisors, Personal Care and Service  
Workers  
Transportation, Tourism, and Lodging  
Attendants

### Crafts

Construction Trades Workers  
Electrical and Electronic Equipment  
Mechanics, Installers, and Repairers  
Extraction Workers  
Material Moving Workers  
Other Construction and Related Workers  
Other Installation, Maintenance, and Repair  
Occupations  
Plant and System Operators  
Supervisors of Installation, Maintenance, and  
Repair Workers  
Supervisors, Construction and Extraction  
Workers  
Vehicle and Mobile Equipment Mechanics,

Installers, and Repairers  
Woodworkers

**Operative Workers**

Assemblers and Fabricators  
Communications Equipment Operators  
Food Processing Workers  
Metal Workers and Plastic Workers  
Motor Vehicle Operators  
Other Production Occupations  
Printing Workers  
Supervisors, Production Workers  
Textile, Apparel, and Furnishings Workers

**Transportation**

Air Transportation Workers  
Other Transportation Workers  
Rail Transportation Workers  
Supervisors, Transportation and Material  
Moving Workers  
Water Transportation Workers

**Laborers**

Agricultural Workers  
Animal Care and Service Workers  
Fishing and Hunting Workers  
Forest, Conservation, and Logging Workers  
Grounds Maintenance Workers  
Helpers, Construction Trades  
Supervisors, Building and Grounds Cleaning  
and Maintenance Workers  
Supervisors, Farming, Fishing, and Forestry  
Workers

**Exhibit B: Work Force Report Job Categories-Trade**

**Brick, Block or Stone Masons**

Brickmasons and Blockmasons  
Stonemasons

**Carpenters**

**Carpet, floor and Tile Installers and Finishers**

Carpet Installers  
Floor Layers, except Carpet, Wood and Hard  
Tiles  
Floor Sanders and Finishers  
Tile and Marble Setters

**Cement Masons, Concrete Finishers**

Cement Masons and Concrete Finishers  
Terrazzo Workers and Finishers

**Construction Laborers**

**Drywall Installers, Ceiling Tile Inst**

Drywall and Ceiling Tile Installers  
Tapers

**Electricians**

**Elevator Installers and Repairers**

**First-Line Supervisors/Managers**

First-line Supervisors/Managers of  
Construction Trades and Extraction Workers

**Glaziers**

**Helpers, Construction Trade**

Brickmasons, Blockmasons, and Tile and  
Marble Setters  
Carpenters  
Electricians  
Painters, Paperhangers, Plasterers and Stucco  
Pipelayers, Plumbers, Pipefitters and  
Steamfitters  
Roofers  
All other Construction Trades

**Millwrights**

Heating, Air Conditioning and Refrigeration  
Mechanics and Installers  
Mechanical Door Repairers  
Control and Valve Installers and Repairers  
Other Installation, Maintenance and Repair  
Occupations

**Misc. Const. Equipment Operators**

Paving, Surfacing and Tamping Equipment  
Operators  
Pile-Driver Operators  
Operating Engineers and Other Construction  
Equipment Operators

**Painters, Const. Maintenance**

Painters, Construction and Maintenance  
Paperhangers

**Pipelayers and Plumbers**

Pipelayers  
Plumbers, Pipefitters and Steamfitters

**Plasterers and Stucco Masons****Roofers****Security Guards & Surveillance Officers****Sheet Metal Workers****Structural Iron and Steel Workers****Welding, Soldering and Brazing Workers**

Welders, Cutter, Solderers and Brazers  
Welding, Soldering and Brazing Machine  
Setter, Operators and Tenders

**Workers, Extractive Crafts, Miners**



**Agenda Item 4.B.3**

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

**TO: Board of Directors**

**FROM: Will Rodriguez-Kennedy, Budget Chair**

**DATE: For the Agenda of October 30, 2024**

**RE: Authorization to Contract for Replacement of Power Transformers**

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**BACKGROUND**

Staff have identified the need to replace three power transformers that have reached the end of their useful life. These transformers are critical to the uninterrupted operation of the facility and the replacement is necessary to prevent potential disruptions. This transformer replacement project was planned with \$400,000 in the FY25 CIP budget.

**DISCUSSION**

Staff issued a request for proposals (RFP) to qualified contractors for the removal of the existing transformers and installation of three new power transformers. The Corporation received five proposals in response to the RFP:

<b>Contractor</b>	<b>Cost</b>
Precision Electric	\$144,887.00
Zetroc Electric	\$149,445.00
Neal Electric Inc.	\$164,000.00
Baker Electric	\$204,167.00
Chula Vista Electric (CVE)	\$220,915.00

The proposals were evaluated based on the following criteria: Price 40%, Comparable Projects 15%, Work Plan and Project Schedule 15%, Proposed Specifications 10%, Company Resume 10%, Safety Record 5%, Terms and Conditions & Proposal Completion 5%. Staff evaluated the proposals and recommend awarding a contract to Precision Electric for \$144,887.00, with an additional 10% contingency for unforeseen conditions, bringing the total contract budget to \$159,375.70.

**STAFF RECOMMENDATION**

Staff requests the Board approve a contract with Precision Electric for transformer replacement in the amount of \$144,887.00, with an additional 10% contingency, for a total contract budget not to exceed \$159,375.70.

\_\_\_\_\_  
/s/  
Will Rodriguez-Kennedy,  
Budget Chair

**EQUAL OPPORTUNITY CONTRACTING (EOC)**

1200 Third Avenue, Suite 200 • San Diego, CA 92101

Phone: (619) 236-6000 • Fax: (619) 236-5904

**WORK FORCE REPORT**

The objective of the *Equal Employment Opportunity Outreach Program*, San Diego Municipal Code Sections 22.3501 through 22.3517, is to ensure that contractors doing business with the City, or receiving funds from the City, do not engage in unlawful discriminatory employment practices prohibited by State and Federal law. Such employment practices include, but are not limited to unlawful discrimination in the following: employment, promotion or upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training, including apprenticeship. Contractors are required to provide a completed *Work Force Report (WFR)*.

**NO OTHER FORMS WILL BE ACCEPTED  
CONTRACTOR IDENTIFICATION**

Type of Contractor: ☒ Construction ☐ Vendor/Supplier ☐ Financial Institution ☐ Lessee/Lessor  
☐ Consultant ☐ Grant Recipient ☐ Insurance Company ☐ Other

Name of Company: Precision Electric Group Ca, Inc.

ADA/DBA: \_\_\_\_\_

Address (Corporate Headquarters, where applicable): 2361 La Mirada Drive

City: Vista County: San Diego County State: CA Zip: 92081

Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Name of Company CEO: Mark D. Davis

Address(es), phone and fax number(s) of company facilities located in San Diego County (if different from above):

Address: \_\_\_\_\_

City: \_\_\_\_\_ County: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_ Email: \_\_\_\_\_

Type of Business: Electrical Type of License: C-10

The Company has appointed: CRAIG LANDRY

As its Equal Employment Opportunity Officer (EEOO). The EEOO has been given authority to establish, disseminate and enforce equal employment and affirmative action policies of this company. The EEOO may be contacted at:

Address: 2361 LA MIRADA DRIVE VISTA, CA 92081

Telephone Number: 714-714-2328 Fax Number: \_\_\_\_\_ Email: CRAIG.L@PEGICA.COM

- ☐ One San Diego County (or Most Local County) Work Force - Mandatory  
☐ Branch Work Force \*  
☐ Managing Office Work Force

Check the box above that applies to this WFR.

\*Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county.

I, the undersigned representative of Precision Electric Group CA, inc  
(Firm Name)

SAN DIEGO, CALIFORNIA hereby certify that information provided  
(County) (State)

herein is true and correct. This document was executed on this 18<sup>th</sup> day of OCTOBER, 2024

[Signature]  
(Authorized Signature)

MARK PRADALS  
(Print Authorized Signature Name)

**WORK FORCE REPORT – Page 2**NAME OF FIRM: Precision Electric Group Ca, Inc. DATE: \_\_\_\_\_OFFICE(S) or BRANCH(ES): Vista COUNTY: San Diego

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- |                                      |   |
|--------------------------------------|---|
| (1) Black or African-American        | (5) Native Hawaiian or Pacific Islander                 |
| (2) Hispanic or Latino               | (6) White   |
| (3) Asian                            | (7) Other race/ethnicity; not falling into other groups |
| (4) American Indian or Alaska Native |   |

Definitions of the race and ethnicity categories can be found on Page 4

ADMINISTRATION OCCUPATIONAL CATEGORY	(1) Black or African American		(2) Hispanic or Latino		(3) Asian		(4) American Indian/ Nat. Alaskan		(5) Pacific Islander		(6) White		(7) Other Race/ Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Management & Financial	0	0	0	1	0	1	0	0	0	0	9	1	0	0
Professional														
A&E, Science, Computer														
Technical														
Sales														
Administrative Support			1	0							2	2		
Services														
Crafts														
Operative Workers														
Transportation											1	0		
Laborers*														

\*Construction laborers and other field employees are not to be included on this page

Totals Each Column	0	0	1	1	0	1	0	0	0	0	12	3	0	0
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**Grand Total All Employees**

**18**

Indicate by Gender and Ethnicity the Number of Above Employees Who Are Disabled:

Disabled														
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Non-Profit Organizations Only:

Board of Directors														
Volunteers														
Artists														

**WORK FORCE REPORT – Page 3**NAME OF FIRM: Precision Electric Group Ca, Inc.

DATE: \_\_\_\_\_

OFFICE(S) or BRANCH(ES): VistaCOUNTY: San Diego

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- |                                      |   |
|--------------------------------------|---|
| (1) Black or African-American        | (5) Native Hawaiian or Pacific Islander                 |
| (2) Hispanic or Latino               | (6) White   |
| (3) Asian                            | (7) Other race/ethnicity; not falling into other groups |
| (4) American Indian or Alaska Native |   |

Definitions of the race and ethnicity categories can be found on Page 4

TRADE OCCUPATIONAL CATEGORY	(1) Black or African American		(2) Hispanic or Latino		(3) Asian		(4) American Indian/ Nat. Alaskan		(5) Pacific Islander		(6) White		(7) Other Race/ Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Brick, Block or Stone Masons														
Carpenters														
Carpet, Floor & Tile Installers Finishers														
Cement Masons, Concrete Finishers														
Construction Laborers														
Drywall Installers, Ceiling Tile Inst														
Electricians	7	0	51	1	4	0	0	0	0	0	45	2	1	0
Elevator Installers														
First-Line Supervisors/Managers														
Glaziers														
Helpers; Construction Trade														
Millwrights														
Misc. Const. Equipment Operators														
Painters, Const. & Maintenance														
Pipelayers, Plumbers, Pipe & Steam Fitters														
Plasterers & Stucco Masons														
Roofers														
Security Guards & Surveillance Officers														
Sheet Metal Workers														
Structural Metal Fabricators & Fitters														
Welding, Soldering & Brazing Workers														
Workers, Extractive Crafts, Miners														

Totals Each Column	7	0	51	1	4	0	0	0	0	0	45	2	1	0
--------------------	---	---	----	---	---	---	---	---	---	---	----	---	---	---

<b>Grand Total All Employees</b>	<b>129</b>
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Indicate By Gender and Ethnicity the Number of Above Employees Who Are Disabled:

Disabled														
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## Work Force Report

### HISTORY

The Work Force Report (WFR) is the document that allows the City of San Diego to analyze the work forces of all firms wishing to do business with the City. We are able to compare the firm's work force data to County Labor Force Availability (CLFA) data derived from the United States Census. CLFA data is a compilation of lists of occupations and includes the percentage of each ethnicity we track (American Indian or Alaska Native, Asian, Black or African-American, Native Hawaiian or Pacific Islander, White, and Other) for each occupation. Currently, our CLFA data is taken from the 2010 Census. In order to compare one firm to another, it is important that the data we receive from the consultant firm is accurate and organized in the manner that allows for this fair comparison.

### WORK FORCE & BRANCH WORK FORCE REPORTS

When submitting a WFR, especially if the WFR is for a specific project or activity, we would like to have information about the firm's work force that is actually participating in the project or activity. That is, if the project is in San Diego and the work force is from San Diego, we want a San Diego County Work Force Report<sup>1</sup>. By the same token, if the project is in San Diego, but the work force is from another county, such as Orange or Riverside County, we want a Work Force Report from that county<sup>2</sup>. If participation in a San Diego project is by work forces from San Diego County and, for example, from Los Angeles County and from Sacramento County, we ask for separate Work Force Reports representing your firm from each of the three counties.

### MANAGING OFFICE WORK FORCE

Equal Opportunity Contracting may occasionally ask for a Managing Office Work Force (MOWF) Report. This may occur in an instance where the firm involved is a large national or international firm but the San Diego or other local work force is very small. In this case, we may ask for both a local and a MOWF Report<sup>1, 3</sup>. In another case, when work is done only by the Managing Office, only the MOWF Report may be necessary.<sup>3</sup>

### TYPES OF WORK FORCE REPORTS:

Please note, throughout the preceding text of this page, the superscript numbers one <sup>1</sup>, two <sup>2</sup> & three <sup>3</sup>. These numbers coincide with the types of work force report required in the example. See below:

- <sup>1</sup> One San Diego County (or Most Local County) Work Force – Mandatory in most cases
- <sup>2</sup> Branch Work Force \*
- <sup>3</sup> Managing Office Work Force

*\*Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county.*

### RACE/ETHNICITY CATEGORIES

**American Indian or Alaska Native** – A person having origins in any of the peoples of North and South America (including Central America) and who maintains tribal affiliation or community attachment.

**Asian** – A person having origins in any of the peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.

**Black or African American** – A person having origins in any of the Black racial groups of Africa.

**Native Hawaiian or Pacific Islander** – A person having origins in any of the peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

**White** – A person having origins in any of the peoples of Europe, the Middle East, or North Africa.

**Hispanic or Latino** – A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin.

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## Exhibit A: Work Force Report Job Categories – Administration

Refer to this table when completing your firm's Work Force Report form(s).

### Management & Financial

Advertising, Marketing, Promotions, Public Relations, and Sales Managers  
Business Operations Specialists  
Financial Specialists  
Operations Specialties Managers  
Other Management Occupations  
Top Executives

### Professional

Art and Design Workers  
Counselors, Social Workers, and Other Community and Social Service Specialists  
Entertainers and Performers, Sports and Related Workers  
Health Diagnosing and Treating Practitioners  
Lawyers, Judges, and Related Workers  
Librarians, Curators, and Archivists  
Life Scientists  
Media and Communication Workers  
Other Teachers and Instructors  
Postsecondary Teachers  
Primary, Secondary, and Special Education School Teachers  
Religious Workers  
Social Scientists and Related Workers

### Architecture & Engineering, Science, Computer

Architects, Surveyors, and Cartographers  
Computer Specialists  
Engineers  
Mathematical Science Occupations  
Physical Scientists

### Technical

Drafters, Engineering, and Mapping Technicians  
Health Technologists and Technicians  
Life, Physical, and Social Science Technicians  
Media and Communication Equipment Workers

### Sales

Other Sales and Related Workers  
Retail Sales Workers  
Sales Representatives, Services  
Sales Representatives, Wholesale and Manufacturing  
Supervisors, Sales Workers

### Administrative Support

Financial Clerks  
Information and Record Clerks  
Legal Support Workers

Material Recording, Scheduling, Dispatching, and Distributing Workers  
Other Education, Training, and Library Occupations  
Other Office and Administrative Support Workers  
Secretaries and Administrative Assistants  
Supervisors, Office and Administrative Support Workers

### Services

Building Cleaning and Pest Control Workers  
Cooks and Food Preparation Workers  
Entertainment Attendants and Related Workers  
Fire Fighting and Prevention Workers  
First-Line Supervisors/Managers, Protective Service Workers  
Food and Beverage Serving Workers  
Funeral Service Workers  
Law Enforcement Workers  
Nursing, Psychiatric, and Home Health Aides  
Occupational and Physical Therapist Assistants and Aides  
Other Food Preparation and Serving Related Workers  
Other Healthcare Support Occupations  
Other Personal Care and Service Workers  
Other Protective Service Workers  
Personal Appearance Workers  
Supervisors, Food Preparation and Serving Workers  
Supervisors, Personal Care and Service Workers  
Transportation, Tourism, and Lodging Attendants

### Crafts

Construction Trades Workers  
Electrical and Electronic Equipment Mechanics, Installers, and Repairers  
Extraction Workers  
Material Moving Workers  
Other Construction and Related Workers  
Other Installation, Maintenance, and Repair Occupations  
Plant and System Operators  
Supervisors of Installation, Maintenance, and Repair Workers  
Supervisors, Construction and Extraction Workers  
Vehicle and Mobile Equipment Mechanics,

Installers, and Repairers  
Woodworkers

**Operative Workers**

Assemblers and Fabricators  
Communications Equipment Operators  
Food Processing Workers  
Metal Workers and Plastic Workers  
Motor Vehicle Operators  
Other Production Occupations  
Printing Workers  
Supervisors, Production Workers  
Textile, Apparel, and Furnishings Workers

**Transportation**

Air Transportation Workers  
Other Transportation Workers  
Rail Transportation Workers  
Supervisors, Transportation and Material  
Moving Workers  
Water Transportation Workers

**Laborers**

Agricultural Workers  
Animal Care and Service Workers  
Fishing and Hunting Workers  
Forest, Conservation, and Logging Workers  
Grounds Maintenance Workers  
Helpers, Construction Trades  
Supervisors, Building and Grounds Cleaning  
and Maintenance Workers  
Supervisors, Farming, Fishing, and Forestry  
Workers

**Exhibit B: Work Force Report Job Categories-Trade**

**Brick, Block or Stone Masons**

Brickmasons and Blockmasons  
Stonemasons

**Carpenters**

**Carpet, floor and Tile Installers and Finishers**

Carpet Installers  
Floor Layers, except Carpet, Wood and Hard  
Tiles  
Floor Sanders and Finishers  
Tile and Marble Setters

**Cement Masons, Concrete Finishers**

Cement Masons and Concrete Finishers  
Terrazzo Workers and Finishers

**Construction Laborers**

**Drywall Installers, Ceiling Tile Inst**

Drywall and Ceiling Tile Installers  
Tapers

**Electricians**

**Elevator Installers and Repairers**

**First-Line Supervisors/Managers**

First-line Supervisors/Managers of  
Construction Trades and Extraction Workers

**Glaziers**

**Helpers, Construction Trade**

Brickmasons, Blockmasons, and Tile and  
Marble Setters  
Carpenters  
Electricians  
Painters, Paperhangers, Plasterers and Stucco  
Pipelayers, Plumbers, Pipefitters and  
Steamfitters  
Roofers  
All other Construction Trades

**Millwrights**

Heating, Air Conditioning and Refrigeration  
Mechanics and Installers  
Mechanical Door Repairers  
Control and Valve Installers and Repairers  
Other Installation, Maintenance and Repair  
Occupations

**Misc. Const. Equipment Operators**

Paving, Surfacing and Tamping Equipment  
Operators  
Pile-Driver Operators  
Operating Engineers and Other Construction  
Equipment Operators

**Painters, Const. Maintenance**

Painters, Construction and Maintenance  
Paperhangers

**Pipelayers and Plumbers**

Pipelayers  
Plumbers, Pipefitters and Steamfitters

**Plasterers and Stucco Masons****Roofers****Security Guards & Surveillance Officers****Sheet Metal Workers****Structural Iron and Steel Workers****Welding, Soldering and Brazing Workers**

Welders, Cutter, Solderers and Brazers  
Welding, Soldering and Brazing Machine  
Setter, Operators and Tenders

**Workers, Extractive Crafts, Miners**



#### Agenda Item 4.B.4

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

**TO:** Board of Directors

**FROM:** Will Rodriguez-Kennedy, Budget Chair

**DATE:** For the Agenda of October 30, 2024

**RE:** Authorization to Contract for Stormwater Repairs with Sloan Electric Corporation

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#### BACKGROUND

The San Diego Convention Center's stormwater pump station was constructed during the facility's expansion when Harbor Drive was lowered by nine feet between First and Fifth Avenue. This infrastructure adjustment was necessary for establishing a new entrance to the existing garage and ensuring effective stormwater drainage in the newly lowered area.

#### DISCUSSION

The pump station's equipment has reached the end of its functional life, requiring immediate inspection and replacement of primary components. After discussions with the City of San Diego's Stormwater Department, a budget allocation of \$456,000 was designated from the City's FY2025 budget for this purpose.

To address the equipment needs, Staff issued a Request for Quotes (RFQ) for both the inspection and replacement of the pump station's components. Three qualified contractors participated in the RFQ process, and Sloan Electric Corporation selected as the preferred bidder, offering the best value. Sloan's proposal for the core work includes the replacement of 25HP pumps, four check valves, and general electrical and control work at a cost of \$375,855.37.

To facilitate the replacement and minimize operational disruptions during future weather events, Staff recommend contracting with Sloan for \$375,855.37, plus a 10% contingency. This brings the total contract budget to \$413,440.91, funded by the \$456,000 allocated from the City.

#### FUTURE RECOMMENDATIONS

In addition, and related to this project, staff propose replacing two 5HP backup nuisance pumps and associated valves next year. This will enhance water removal capabilities and provide coverage for potential pump failures. Reimbursement for these items will be requested from the City of San Diego in the upcoming fiscal year.

#### RECOMMENDATION

Approval to contract with Sloan for \$375,855.37, with a 10% contingency, totaling \$413,440.91.

/s/  
Will Rodriguez-Kennedy  
Budget Chair

**EQUAL OPPORTUNITY CONTRACTING (EOC)**

1200 Third Avenue, Suite 200 • San Diego, CA 92101

Phone: (619) 236-6000 • Fax: (619) 236-5904

**WORK FORCE REPORT**

The objective of the Equal Employment Opportunity Outreach Program, San Diego Municipal Code Sections 22.3501 through 22.3517, is to ensure that contractors doing business with the City, or receiving funds from the City, do not engage in unlawful discriminatory employment practices prohibited by State and Federal law. Such employment practices include, but are not limited to unlawful discrimination in the following: employment, promotion or upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training, including apprenticeship. Contractors are required to provide a completed Work Force Report (WFR).

**NO OTHER FORMS WILL BE ACCEPTED  
CONTRACTOR IDENTIFICATION**

Type of Contractor: ☒ Construction ☐ Vendor/Supplier ☐ Financial Institution ☐ Lessee/Lessor  
☐ Consultant ☐ Grant Recipient ☐ Insurance Company ☐ Other

Name of Company: Sloan Electromechanical Service and Sales Inc.

ADA/DBA: Sloan Electric Inc.

Address (Corporate Headquarters, where applicable): 3520 Main St.

City: San Diego County: San Diego State: Calif Zip: 92113

Telephone Number: 619 239 5174 Fax Number: 619 239 8410

Name of Company CEO: Jerry Gray

Address(es), phone and fax number(s) of company facilities located in San Diego County (if different from above):

Address: \_\_\_\_\_

City: \_\_\_\_\_ County: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone Number: 619 241 4761 Fax Number: 619 239 8410 Email: jgray@sloanelectric.com

Type of Business: Electric Motor REPAIR Type of License: C10/C61/D21

The Company has appointed: GLENN WALLIS License # 286497

As its Equal Employment Opportunity Officer (EEOO). The EEOO has been given authority to establish, disseminate and enforce equal employment and affirmative action policies of this company. The EEOO may be contacted at:

Address: 3520 Main St San Diego CALIF 92113

Telephone number: 619 241 4766 Fax Number: 619 239 8410 Email: glwallis@sloanelectric.com

- ☒ One San Diego County (or Most Local County) Work Force - Mandatory  
☐ Branch Work Force \*  
☐ Managing Office Work Force

Check the box above that applies to this WFR.

\*Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county.

I, the undersigned representative of Sloan Electromechanical SERVICE and Sales INC.

San Diego, CALIFORNIA (Firm Name)  
(County) (State) hereby certify that information provided

herein is true and correct. This document was executed on this 18 day of OCTOBER, 2024

Glenn Wallis  
(Authorized Signature)

GLENN A. WALLIS  
(Print Authorized Signature Name)

**WORK FORCE REPORT – Page 2**

NAME OF FIRM: Sloan Electromechanical Service and Sales

DATE: 18 OCT 2024

OFFICE(S) or BRANCH(ES): San Diego

COUNTY: San Diego

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- |                                      |   |
|--------------------------------------|---|
| (1) Black or African-American        | (5) Native Hawaiian or Pacific Islander                 |
| (2) Hispanic or Latino               | (6) White   |
| (3) Asian                            | (7) Other race/ethnicity; not falling into other groups |
| (4) American Indian or Alaska Native |   |

Definitions of the race and ethnicity categories can be found on Page 4

ADMINISTRATION OCCUPATIONAL CATEGORY	(1) Black or African American		(2) Hispanic or Latino		(3) Asian		(4) American Indian/ Nat. Alaskan		(5) Pacific Islander		(6) White		(7) Other Race/ Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Management & Financial											2	1		
Professional														
A&E, Science, Computer														
Technical											1			
Sales											1			
Administrative Support			2				1							
Services														
Crafts			7								3			
Operative Workers														
Transportation														
Laborers*														

\*Construction laborers and other field employees are not to be included on this page

Totals Each Column			9				1				7	1		
--------------------	--	--	---	--	--	--	---	--	--	--	---	---	--	--

Grand Total All Employees

18

Indicate by Gender and Ethnicity the Number of Above Employees Who Are Disabled:

Disabled														
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Non-Profit Organizations Only:

Board of Directors														
Volunteers														
Artists														

**WORK FORCE REPORT – Page 3**

NAME OF FIRM: \_\_\_\_\_ DATE: \_\_\_\_\_

OFFICE(S) or BRANCH(ES): \_\_\_\_\_ COUNTY: \_\_\_\_\_

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- |                                      |   |
|--------------------------------------|---|
| (1) Black or African-American        | (5) Native Hawaiian or Pacific Islander                 |
| (2) Hispanic or Latino               | (6) White   |
| (3) Asian                            | (7) Other race/ethnicity; not falling into other groups |
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Definitions of the race and ethnicity categories can be found on Page 4

TRADE OCCUPATIONAL CATEGORY	(1) Black or African American		(2) Hispanic or Latino		(3) Asian		(4) American Indian/ Nat. Alaskan		(5) Pacific Islander		(6) White		(7) Other Race/ Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Brick, Block or Stone Masons														
Carpenters														
Carpet, Floor & Tile Installers Finishers														
Cement Masons, Concrete Finishers														
Construction Laborers														
Drywall Installers, Ceiling Tile Inst														
Electricians														
Elevator Installers														
First-Line Supervisors/Managers														
Glaziers														
Helpers; Construction Trade														
Millwrights														
Misc. Const. Equipment Operators														
Painters, Const. & Maintenance														
Pipelayers, Plumbers, Pipe & Steam Fitters														
Plasterers & Stucco Masons														
Roofers														
Security Guards & Surveillance Officers														
Sheet Metal Workers														
Structural Metal Fabricators & Fitters														
Welding, Soldering & Brazing Workers														
Workers, Extractive Crafts, Miners														

Totals Each Column														
--------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Grand Total All Employees	
---------------------------	--

Indicate By Gender and Ethnicity the Number of Above Employees Who Are Disabled:

Disabled														
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

## Work Force Report

### **HISTORY**

The Work Force Report (WFR) is the document that allows the City of San Diego to analyze the work forces of all firms wishing to do business with the City. We are able to compare the firm's work force data to County Labor Force Availability (CLFA) data derived from the United States Census. CLFA data is a compilation of lists of occupations and includes the percentage of each ethnicity we track (American Indian or Alaska Native, Asian, Black or African-American, Native Hawaiian or Pacific Islander, White, and Other) for each occupation. Currently, our CLFA data is taken from the 2010 Census. In order to compare one firm to another, it is important that the data we receive from the consultant firm is accurate and organized in the manner that allows for this fair comparison.

### **WORK FORCE & BRANCH WORK FORCE REPORTS**

When submitting a WFR, especially if the WFR is for a specific project or activity, we would like to have information about the firm's work force that is actually participating in the project or activity. That is, if the project is in San Diego and the work force is from San Diego, we want a San Diego County Work Force Report<sup>1</sup>. By the same token, if the project is in San Diego, but the work force is from another county, such as Orange or Riverside County, we want a Work Force Report from that county<sup>2</sup>. If participation in a San Diego project is by work forces from San Diego County and, for example, from Los Angeles County and from Sacramento County, we ask for separate Work Force Reports representing your firm from each of the three counties.

### **MANAGING OFFICE WORK FORCE**

Equal Opportunity Contracting may occasionally ask for a Managing Office Work Force (MOWF) Report. This may occur in an instance where the firm involved is a large national or international firm but the San Diego or other local work force is very small. In this case, we may ask for both a local and a MOWF Report<sup>1,3</sup>. In another case, when work is done only by the Managing Office, only the MOWF Report may be necessary.<sup>3</sup>

### **TYPES OF WORK FORCE REPORTS:**

Please note, throughout the preceding text of this page, the superscript numbers one <sup>1</sup>, two <sup>2</sup> & three <sup>3</sup>. These numbers coincide with the types of work force report required in the example. See below:

- <sup>1</sup> One San Diego County (or Most Local County) Work Force – Mandatory in most cases
- <sup>2</sup> Branch Work Force \*
- <sup>3</sup> Managing Office Work Force

*\*Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county.*

### **RACE/ETHNICITY CATEGORIES**

**American Indian or Alaska Native** – A person having origins in any of the peoples of North and South America (including Central America) and who maintains tribal affiliation or community attachment.

**Asian** – A person having origins in any of the peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.

**Black or African American** – A person having origins in any of the Black racial groups of Africa.

**Native Hawaiian or Pacific Islander** – A person having origins in any of the peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

**White** – A person having origins in any of the peoples of Europe, the Middle East, or North Africa.

**Hispanic or Latino** – A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin.

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## **Exhibit A: Work Force Report Job Categories – Administration**

Refer to this table when completing your firm's Work Force Report form(s).

### **Management & Financial**

Advertising, Marketing, Promotions, Public  
Relations, and Sales Managers  
Business Operations Specialists  
Financial Specialists  
Operations Specialties Managers  
Other Management Occupations  
Top Executives

### **Professional**

Art and Design Workers  
Counselors, Social Workers, and Other Community  
and Social Service Specialists  
Entertainers and Performers, Sports and Related  
Workers  
Health Diagnosing and Treating Practitioners  
Lawyers, Judges, and Related Workers  
Librarians, Curators, and Archivists  
Life Scientists  
Media and Communication Workers  
Other Teachers and Instructors  
Postsecondary Teachers  
Primary, Secondary, and Special Education School  
Teachers  
Religious Workers  
Social Scientists and Related Workers

### **Architecture & Engineering, Science, Computer**

Architects, Surveyors, and Cartographers  
Computer Specialists  
Engineers  
Mathematical Science Occupations  
Physical Scientists

### **Technical**

Drafters, Engineering, and Mapping Technicians  
Health Technologists and Technicians  
Life, Physical, and Social Science Technicians  
Media and Communication Equipment Workers

### **Sales**

Other Sales and Related Workers  
Retail Sales Workers  
Sales Representatives, Services  
Sales Representatives, Wholesale and  
Manufacturing  
Supervisors, Sales Workers

### **Administrative Support**

Financial Clerks  
Information and Record Clerks  
Legal Support Workers

Material Recording, Scheduling, Dispatching,  
and Distributing Workers  
Other Education, Training, and Library  
Occupations  
Other Office and Administrative Support  
Workers  
Secretaries and Administrative Assistants  
Supervisors, Office and Administrative Support  
Workers

### **Services**

Building Cleaning and Pest Control Workers  
Cooks and Food Preparation Workers  
Entertainment Attendants and Related  
Workers  
Fire Fighting and Prevention Workers  
First-Line Supervisors/Managers, Protective  
Service Workers  
Food and Beverage Serving Workers  
Funeral Service Workers  
Law Enforcement Workers  
Nursing, Psychiatric, and Home Health Aides  
Occupational and Physical Therapist Assistants  
and Aides  
Other Food Preparation and Serving Related  
Workers  
Other Healthcare Support Occupations  
Other Personal Care and Service Workers  
Other Protective Service Workers  
Personal Appearance Workers  
Supervisors, Food Preparation and Serving  
Workers  
Supervisors, Personal Care and Service  
Workers  
Transportation, Tourism, and Lodging  
Attendants

### **Crafts**

Construction Trades Workers  
Electrical and Electronic Equipment  
Mechanics, Installers, and Repairers  
Extraction Workers  
Material Moving Workers  
Other Construction and Related Workers  
Other Installation, Maintenance, and Repair  
Occupations  
Plant and System Operators  
Supervisors of Installation, Maintenance, and  
Repair Workers  
Supervisors, Construction and Extraction  
Workers  
Vehicle and Mobile Equipment Mechanics,

Installers, and Repairers  
Woodworkers

**Operative Workers**

Assemblers and Fabricators  
Communications Equipment Operators  
Food Processing Workers  
Metal Workers and Plastic Workers  
Motor Vehicle Operators  
Other Production Occupations  
Printing Workers  
Supervisors, Production Workers  
Textile, Apparel, and Furnishings Workers

**Transportation**

Air Transportation Workers  
Other Transportation Workers  
Rail Transportation Workers  
Supervisors, Transportation and Material  
Moving Workers  
Water Transportation Workers

**Laborers**

Agricultural Workers  
Animal Care and Service Workers  
Fishing and Hunting Workers  
Forest, Conservation, and Logging Workers  
Grounds Maintenance Workers  
Helpers, Construction Trades  
Supervisors, Building and Grounds Cleaning  
and Maintenance Workers  
Supervisors, Farming, Fishing, and Forestry  
Workers

**Exhibit B: Work Force Report Job Categories-Trade**

**Brick, Block or Stone Masons**

Brickmasons and Blockmasons  
Stonemasons

**Carpenters**

**Carpet, floor and Tile Installers and Finishers**

Carpet Installers  
Floor Layers, except Carpet, Wood and Hard  
Tiles  
Floor Sanders and Finishers  
Tile and Marble Setters

**Cement Masons, Concrete Finishers**

Cement Masons and Concrete Finishers  
Terrazzo Workers and Finishers

**Construction Laborers**

**Drywall Installers, Ceiling Tile Inst**

Drywall and Ceiling Tile Installers  
Tapers

**Electricians**

**Elevator Installers and Repairers**

**First-Line Supervisors/Managers**

First-line Supervisors/Managers of  
Construction Trades and Extraction Workers

**Glaziers**

**Helpers, Construction Trade**

Brickmasons, Blockmasons, and Tile and  
Marble Setters  
Carpenters  
Electricians  
Painters, Paperhangers, Plasterers and Stucco  
Pipelayers, Plumbers, Pipefitters and  
Steamfitters  
Roofers  
All other Construction Trades

**Millwrights**

Heating, Air Conditioning and Refrigeration  
Mechanics and Installers  
Mechanical Door Repairers  
Control and Valve Installers and Repairers  
Other Installation, Maintenance and Repair  
Occupations

**Misc. Const. Equipment Operators**

Paving, Surfacing and Tamping Equipment  
Operators  
Pile-Driver Operators  
Operating Engineers and Other Construction  
Equipment Operators

**Painters, Const. Maintenance**

Painters, Construction and Maintenance  
Paperhangers

**Pipelayers and Plumbers**

Pipelayers  
Plumbers, Pipefitters and Steamfitters

**Plasterers and Stucco Masons****Roofers****Security Guards & Surveillance Officers****Sheet Metal Workers****Structural Iron and Steel Workers****Welding, Soldering and Brazing Workers**

Welders, Cutter, Solderers and Brazers  
Welding, Soldering and Brazing Machine  
Setter, Operators and Tenders

**Workers, Extractive Crafts, Miners**





## SAN DIEGO CONVENTION CENTER/ SHORT TERM SALES SEPTEMBER 2024 SALES ACTIVITY REPORT



**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		FY25 SEPTEMBER 24	FY24 SEPTEMBER 23	CUMULATIVE FYTD 2025	CUMULATIVE FYTD 2024
	EVENTS	3	3	16	9
	ATTENDANCE	6,900	7,150	62,415	124,350
	ROOM NIGHTS	2,368	6,295	7,979	8,507
	RENTAL REVENUE	\$200,940	\$112,450	\$757,620	\$487,530

### FY25 PERCENT TO GOAL

*Convention Center Rental Revenue*

	GOAL	YTD	PERCENT TO GOAL
CONTRACTED RENTAL REVENUE	\$1,500,000	\$757,620	50.5%

## San Diego Convention Center Short Term Sales September 2024 Sales Activity Report

### CONTRACTED SHORT TERM EVENTS/ SEPTEMBER 2024

EVENT NAME	EVENT DATES	PROJECTED ATTENDANCE	PEAK ROOMS	ROOM NIGHTS	RENTAL
Project Lead the Way Summit 2024	10/02/24	1,300	779	2,368	\$164,400
Yugioh! ROTA Regional Qualifier	10/20/24	600	0	0	\$5,600
Art San Diego	10/21/25	5,000	0	0	\$30,940
<b>TOTAL</b>		<b>6,900</b>		<b>2,368</b>	<b>\$200,940</b>

## San Diego Convention Center Short Term Sales September 2024 Sales Activity Report

### CONTRACTED SHORT TERM EVENTS/ FY25 YTD

EVENT NAME	EVENT DATES	PROJECTED ATTENDANCE	PEAK ROOMS	ROOM NIGHTS	RENTAL
ASNE Fleet Maintenance Symposium 2025	09/24/25	1,300	200	445	\$59,000
One Piece Trading Card Game Offline Regional	11/02/24	1,300	0	0	\$15,680
Advance Automotive Battery Conference 2026	12/06/26	2,000	575	2,192	\$71,700
Gujarati Cultural Dance 2024	09/14/24	700	0	0	\$5,100
Broadband Communities West 2024	10/30/24	1,000	0	0	\$17,000
Toray Meeting	09/11/24	15	0	0	\$600
United States Univ. Commencement Ceremony	09/14/24	4,000	25	50	\$11,300
California Bridal & Wedding Expo2025	06/22/25	5,000	0	0	\$7,700
Shamrock Foods Company	09/25/25	2,000	303	424	\$41,800
San Diego World Running Championships	09/27/25	5,000	0	0	\$54,300
Wellness Together	10/01/25	2,000	500	1,000	\$104,800
Regional Task Force on Homelessness	12/11/25	1,200	100	300	\$55,800
Fanatics Fest San Diego 2025	12/15/25	30,000	500	1,200	\$111,900
Project Lead the Way Summit 2024	10/02/24	1,300	779	2,368	\$164,400
Yugioh! ROTA Regional Qualifier	10/20/24	600	0	0	\$5,600
Art San Diego	10/21/25	5,000	0	0	\$30,940
<b>TOTAL</b>		<b>62,415</b>		<b>7,979</b>	<b>\$757,620</b>

# Citywide Sales Activity Report

Bookings & Leads as of September 2024

Agenda Item 4.C



## Citywide Primary Market

Conventions, Trade Shows, Corporate & Incentive Events

DEFINITE	September 2024		September 2023		CUMULATIVE FY2025		CUMULATIVE FY2024	
	Conventions	3	2		8		4	
	Attend.	24,000	23,000		67,570		41,800	
	Contract Rooms	48,518	60,275		94,236		99,603	

LEAD	September 2024		September 2023		CUMULATIVE FY2025		CUMULATIVE FY2024	
	Conventions	21	21		40		62	
	Attend.	177,700	189,800		310,400		615,200	
	Requested Rooms	235,095	421,296		446,860		1,168,983	

\*Citywide opportunities that entered “Lead” status in respective FY’s. FY23 skewed by Hematology (ASH) entering lead status for 2031/2033 in July ’23 (275,400 room nights).

### Variance Fiscal Year-to-Date

	CUMULATIVE FY2025	CUMULATIVE FY2024	YOY Variance	% YOY Variance
Definite Rooms	94,236	99,603	-5,367	-5.4%
New Lead Status Rooms	446,860	1,168,983	-722,123	-61.77%
Total Lead Status Rooms	1,493,612	1,923,377	-429,765	-22.3%

\*“Lead” status room nights in FY23 skewed by Hematology (ASH) entering lead status for 2031/2033 in July ’23 (275,400 room nights).

## Definite Event Breakdown

Conventions, Trade Shows, Corporate & Incentive Events Booked in September 2024

SDTA Lead ID	SDCCC Lead ID	Account Name	National Sales Director	Event Dates	Contract Rooms	Peak Room Nights	Attend.
1225170	3310001	American Society of Nephrology	Angie Ranalli	Nov 10 - 13, 2023	29,308	6,800	13,500
1224386	2829-65-65-15522	Avid Center	Kim Borneman	Jul 30 - Aug 1, 2028	10,815	3,500	4,500
1233122	2829-65-65-14274	CrimeCon, LLC	David Matta	Jun 1 - 4, 2028	8,395	2,300	6,000

## SUMMARY

Happy to report that overall, September’s bookings continue to follow the strategy implemented at the beginning of Fiscal Year 2023 and approved by the SDCCC Board to focus on quality vs. quantity bookings, target events that fall within the next five years at a higher pace and/or that fall into a traditionally slower time for meetings & conventions.

- 39% of rooms booked, 19,210 rooms, fall within the next 5 years.
- 17% of room nights are first time events to San Diego, CrimeCon is a new citywide for San Diego.

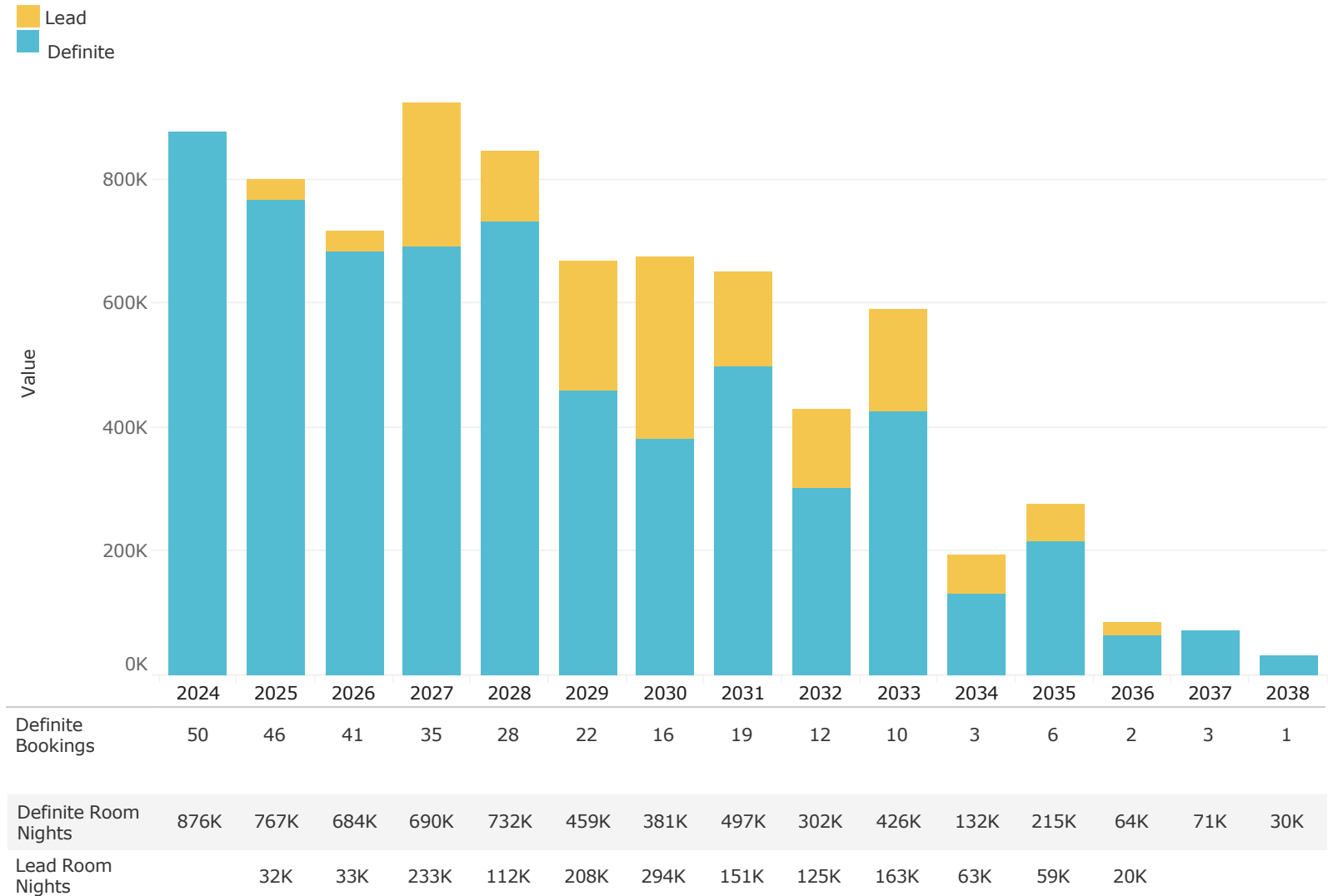
# Citywide Sales Activity Report

Definite Events On-the-Books as of September 2024



## Room Night Summary

Room nights by calendar year of event



### NOTE:

- 2024 Definite Total Room Night Changes: +3,778 in definite increases primarily due to TwitchCon.
- 2025 Definite Total Room Night Changes: -24,502 due to definite decreases: Insight Global -3,133, AANP -1,272, a system error on DDW accounted for -18,995 rns. 11,858 rns will be added back in for DDW in October.
- 2026 Definite Total Room Night Changes: +1,156 rooms due to definite increases.
- 2027 Definite Total Room Night Changes: No changes
- 2028 Definite Total Room Night Changes: +18,935 new definite rooms
- 2029 Definite Total Room Night Changes: -630 in definite decreases due to shoulder adjustments to mirror history.
- 2030 - 2032 Definite Total Room Night Changes: No changes
- 2033 Definite Total Room Night Changes: +29,308 new definite rooms
- 2034 - 2038 Definite Total Room Night Changes: No changes

**Agenda Item 4.D.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 October 30, 2024

**RE:** Consideration to Approve a Resolution of the San Diego Convention Center Corporation, Inc. Adopting a Job Description for the Position of Deputy Chief Executive Officer and Chief Financial Officer, Approving a Just and Reasonable Salary Range for Such Position, Authorizing the President and Chief Executive Officer to Appoint to the Position, and Authorizing the President and Chief Executive Officer to Enter into an Employment Agreement on Behalf of the Corporation

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**BACKGROUND**

Pursuant to the San Diego Convention Center Corporation's ("Corporation") Amended and Restated Bylaws Article 11, Section 1, the two specified officers of the Corporation are the President & CEO and Chief Financial Officer. Additionally, Article 11, Section 1 of the Bylaws enables the Board to create officers of the Corporation via resolution of the Board. Pursuant to that authority, the Board has created the Chief Operating Officer position. On August 28, 2024, the Board also approved Resolution No. 2024-04 to create a new officer position of the Deputy Chief Executive Officer and Chief Financial Officer ("Deputy CEO & CFO"). The Corporation's Amended and Restated Bylaws Article 11, Section 3(a) further specify that the President & CEO is responsible for hiring and firing of all Corporation personnel which would include any such Corporate officers as employees of the Corporation. The President & CEO supervises and directs all Corporation personnel.

**DISCUSSION**

At the August 28, 2024, Board meeting, the President & CEO and the Board proposed creating the new officer position of Deputy CEO & CFO. This role will combine the responsibilities of overseeing financial management and leading strategic initiatives, which will enhance operational efficiency and support the Corporation's long-term objectives.

The attached job description for the Deputy CEO & CFO clearly defines the position and the role. This position will provide all the CFO functions as well as responsibility of leading strategic objectives, initiatives, large scale efforts, and internal operations for various departments.

Additionally, pursuant to the Corporation's Amended and Restated Bylaws and applicable state laws, the Board must determine that the proposed compensation for the newly created position of Deputy CEO & CFO is just and reasonable to the Corporation based on a fairness of compensation review. The Board will conduct a confidential fairness of compensation review pursuant to the Corporation's Amended and Restated Bylaws and applicable state laws of the proposed compensation for the Deputy CEO & CFO position on October 30, 2024. The compensation review will include a review and discussion of job duties and salaries paid by similarly situated organizations (both taxable and tax-exempt) for similar services and current compensation surveys compiled by independent firms for comparable positions and other comparable agencies. The just and reasonable salary range for the Deputy CEO & CFO position is proposed as \$300,000 to \$400,000.

If approved by the Board, the attached resolution will also authorize the President & CEO to: appoint a person to the Deputy CEO & CFO position; select a salary within the approved salary range; and enter into an employment agreement with the employee on behalf of the Corporation to provide for the terms and conditions of employment including but not limited to salary, benefits, and severance.

#### RECOMMENDATION

That the Board approve the attached Resolution adopting a job description for the position of Deputy Chief Executive Officer and Chief Financial Officer, approving a just and reasonable salary range, authorizing the President and Chief Executive Officer to appoint to the position, and authorizing the President and Chief Executive Officer to enter into an employment agreement on behalf of the Corporation.

Attachment:

1. Resolution with Exhibit A-Job Description

## Agenda Item 4.D.1

# San Diego Convention Center Corporation

## Job Description

### Deputy CEO & CFO

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<b>Job Title:</b>	Deputy Chief Executive Officer & Chief Financial Officer
<b>Department:</b>	Finance
<b>Division:</b>	Finance-Finance Accounting
<b>Reports To:</b>	President & CEO
<b>FLSA:</b>	Exempt
<b>Prepared Date:</b>	

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#### Overview

The Deputy Chief Executive Officer (Deputy CEO) & Chief Financial Officer (CFO) provides strategic leadership and financial oversight to ensure the organization achieves its vision, mission, and strategic objectives. This role is responsible for strategic leadership, defining and executing business initiatives, managing financial operations, and overseeing daily operations to drive efficiency and effectiveness. Develops and implements financial strategies to support capital improvement projects, including collaborating with the City of San Diego and other entities to secure funding, identifying resources and ensuring compliance with regulatory requirements. Fosters a positive corporate culture by leading and mentoring senior management, aligning team goals with strategic objectives, and promoting a high-performance work environment. Engages with key stakeholders, including public agencies, partners, and clients, to build strong relationships and enhance the organization's reputation. Identifies and manages financial and operational risks, ensuring robust internal controls and adherence to regulatory standards.

#### Position Description

The Deputy CEO & CFO is appointed and supervised by the President and Chief Executive Officer. The Deputy CEO & CFO will also provide reports to and take direction from the Board on financial matters as described in the Corporation's Bylaws. The position is an at-will position hired for an indefinite and unspecified duration, and there is no guarantee of employment for any specific length of time. The Deputy CEO & CFO has no property right in this employment. The Deputy CEO & CFO is subject to the President and Chief Executive Officer's control and discretion. The President and Chief Executive Officer can terminate the services of the Deputy CEO & CFO at any time for any reason. The President and Chief Executive Officer shall confidentially inform each member of the Board 72 hours in advance of any such termination unless there is an emergency. The Deputy CEO & CFO will have an employment contract.

#### **COMPETENCIES**

- Strategic Leadership
- Operational Excellence
- Financial Management
- Team Leadership and Development
- Policy development, planning and deployment
- Inspirational and analytical leader that is results-oriented



## **Agenda Item 4.D.1**

# **San Diego Convention Center Corporation**

## **Job Description**

### **Deputy CEO & CFO**

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- Risk management and analysis
- Cultivates strong professional relationships
- Excellent verbal and written communication
- Excellent personal integrity and ethics

**ESSENTIAL DUTIES AND RESPONSIBILITIES** include the following. The duties of this position also include the duties specified under the Corporation's Amended and Restated Bylaws for the Chief Financial Officer as they may be amended from time to time. Other duties may be assigned.

#### **Strategic Leadership**

- Collaborates with President & CEO and the Board of Directors to set and review organizational objectives, policies, and strategic initiatives.
- Partners with CEO and leadership team to implement strategic plans and long-term business strategies to achieve sustainable growth and competitive advantage.
- Defines and articulates the company's vision, mission, and strategic goals.
- Acts as a strategic leader with a transformational approach, skilled in inspiring staff, the Board of Directors, and stakeholders to unite and drive success.
- Adapts and acts decisively in response to emerging situations, while maintaining a clear focus on long-term vision and strategic goals.

#### **Financial Management**

- Oversees all financial aspects of the organization, including budgeting, forecasting, financial planning, and analysis.
- Ensures the accuracy and integrity of financial reporting and compliance with regulatory requirements.
- Analyzes, interprets and communicates complex financial information effectively to the Board of Directors, President & CEO, and stakeholders.
- Develops and manages financial strategies to optimize capital structure, revenue streams, and cost efficiencies.
- Exemplifies strong analytical, organizational, and problem-solving skills that facilitate effective and collaborative decision-making. Confident and decisive in making tough or unpopular choices when necessary.

#### **Effective Communication Skills**

- Is a proactive, transparent, and persuasive communicator who actively shares information, is open and honest and can influence others effectively.
- Listens to others, ensuring all voices are heard and considered, while incorporating stakeholder feedback. Utilizes data and metrics to make informed decisions.

## **Agenda Item 4.D.1**

# **San Diego Convention Center Corporation**

## **Job Description**

### **Deputy CEO & CFO**

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- Delivers compelling speeches and presentations to senior management, public audiences, and the Board of Directors.
- Enhances the organization's reputation and builds respect among various stakeholders and constituencies.

#### **Operational Oversight**

- Oversees all operational aspects of the business to ensure efficient and effective day-to-day operations.
- Oversees best practices and process improvements across all departments.
- Monitors key performance indicators and adjust strategies as necessary to achieve operational goals.

#### **Project Funding and Planning Oversight**

- Oversees financial strategies to support capital improvement projects, including budgeting, forecasting, and financial analysis.
- Oversees the annual capital planning process including needs assessment, project prioritization, and risk evaluation and mitigation.
- Identifies and secures appropriate funding sources such as bonds, grants, and loans. Evaluates and recommends financing options to the governing body.
- Ensures that funding mechanisms comply with relevant regulations and reporting requirements. Monitors and reports on the financial status of capital projects.

#### **Organizational Leadership**

- Fosters a positive corporate culture and leads, mentors, and develops senior management teams.
- Drives performance management and ensures alignment of individual and team goals with the company's strategic objectives.
- Promotes a high-performance, results-driven work environment by cultivating a cohesive and effective leadership team.

#### **Stakeholder Engagement**

- Builds and maintains strong relationships with key stakeholders, including local public agencies, partners, and clients.
- Represents the company in negotiations, partnerships, and industry events.
- Communicates effectively with internal and external stakeholders to align expectations and enhance organizational reputation.

#### **Risk Management**

- Identifies and assesses financial and operational risks and implements effective risk mitigation strategies.

## **Agenda Item 4.D.1**

# **San Diego Convention Center Corporation**

## **Job Description**

### **Deputy CEO & CFO**

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- Ensures robust internal controls and compliance frameworks are in place to safeguard company assets and maintain regulatory adherence.

#### **EDUCATION AND EXPERIENCE**

- Bachelor's degree in business or related field and at least fifteen years business and financial experience, at least ten years' experience leading senior leaders; or equivalent combination of education and experience.
- C-level and Board level interaction and experience required.
- Certified Venue Executive or Certified Venue Professional is preferred.
- Hospitality or venue arena (or equivalent) asset management experience.
- Experience with a budget of at least \$40 million and more than 250 employees, including leaders in different functions.
- Proficient in accounting and ERP systems, Windows and Microsoft applications, including Excel.
- Working knowledge of data analysis and performance/operation metrics (KPIs).
- Possesses a comprehensive understanding of core business functions along with relevant industry knowledge and experience. Familiarity with how the local economy benefits from out-of-town visitors with insight into the local political environment and government policies.

#### **LANGUAGE SKILLS**

Ability to read, analyze, and interpret common scientific and technical journals, financial reports, and legal documents. Ability to respond to common inquiries or complaints from customers, regulatory agencies, or members of the business community. Ability to write speeches and articles for publication that conform to prescribed style and format. Ability to effectively present information to top management, public groups, and/or boards of directors.

#### **MATHEMATICAL SKILLS**

Ability to work with mathematical concepts such as probability and statistical inference. Ability to apply concepts such as fractions, percentages, ratios, and proportions to practical situations.

#### **REASONING ABILITY**

Ability to define problems, collect data, establish facts, and draw valid conclusions. Ability to interpret an extensive variety of technical instructions in mathematical or diagram form and deal with several abstract and concrete variables. Must be able to make sound and accurate independent decisions.

#### **OTHER SKILLS AND ABILITIES**

Knowledge of public or municipal accounting principles and practices and financial analysis in a computerized environment. Ability to effectively interact with staff, guests and tenants. Excellent

## **Agenda Item 4.D.1**

# **San Diego Convention Center Corporation**

## **Job Description**

### **Deputy CEO & CFO**

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personal ethics, integrity adhering to the Corporation's visions and values. Ability to work evenings, weekends and holidays as needed in addition to standard office hours. Ability to travel out of town as needed.

#### **PHYSICAL DEMANDS**

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to sit and talk or hear. The employee is occasionally required to stand and walk. Specific vision abilities required by this job include close vision, and ability to adjust focus.

#### **WORK ENVIRONMENT**

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The noise level in the work environment is usually moderate. Normal office conditions in private office. The employee's office is located in a suite of offices above a parking structure and does not have immediate access to windows. Indoor HVAC unit monitors and controls temperature and air flow. Lighting is provided by overhead bulbs and lamps. The noise level in the work environment is usually low to moderate and could include people in the office suite walking past the offices engaged in conversation. Frequent computer use at a workstation. Frequent interaction with employees, clients, vendors, and the general public via email, telephone, delivery correspondence, and/or face-to-face. While maneuvering throughout facility and on the show floor, employees may be exposed to moving mechanical parts and equipment, such as forklifts and electric carts, as well as loud noises originating from the use of individual and multiple quantities of mechanical equipment. The employee is occasionally exposed to exhaust fumes, airborne particles, and risk of electrical shock for both indoors and outdoors environments.

My signature below confirms that I have read and understand the requirements of this position, and attest that I have the qualifications to perform the essential functions of the position with no restrictions.

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Signature

**Agenda Item 4.D.1**

**San Diego Convention Center Corporation  
Job Description  
Deputy CEO & CFO**

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Date

## **Agenda Item 4.D.1**

### **RESOLUTION NO. 2024-06**

**A RESOLUTION OF THE SAN DIEGO CONVENTION CENTER CORPORATION, INC. ADOPTING A JOB DESCRIPTION FOR THE POSITION OF DEPUTY CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER, APPROVING A JUST AND REASONABLE SALARY RANGE, AUTHORIZING THE PRESIDENT AND CEO TO APPOINT TO THE POSITION, AND AUTHORIZING THE PRESIDENT AND CEO TO ENTER INTO AN EMPLOYMENT AGREEMENT ON BEHALF OF THE CORPORATION.**

**WHEREAS**, pursuant to the San Diego Convention Center Corporation's ("Corporation") Amended and Restated Bylaws Article 11, Section 1, the Board may create officers of the Corporation via resolution of the Board; and

**WHEREAS**, the Board approved Resolution 2024-04 on August 28, 2024 to create the position of "Deputy Chief Executive Officer and CFO"; and

**WHEREAS**, the Corporation's Amended and Restated Bylaws Article 11, Section 3(a) specify that the President and Chief Executive Officer is responsible for hiring and firing of all Corporation personnel which would include any such corporate officers; and

**WHEREAS**, the President and Chief Executive Officer desires to have the Board adopt a job description for the newly created position of Deputy Chief Executive Officer and CFO, approve a salary range, authorize the President and Chief Executive Officer to appoint the newly created position, and authorize the President and Chief Executive Officer to enter into an employment agreement for the position on behalf of the Corporation; and

**WHEREAS**, pursuant to the Corporation's Amended and Restated Bylaws and applicable state laws, the Board must make a determination that the proposed compensation for the newly created position of Deputy Chief Executive Officer and CFO is just and reasonable based on a confidential fairness of compensation review.

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

**Section 1.** The recitals set forth above are true and correct and are incorporated into this Resolution as findings.

**Section 2.** The Board conducted a confidential fairness of compensation review pursuant to the Corporation's Amended and Restated Bylaws and applicable state laws of the proposed compensation for the Deputy Chief Executive Officer and CFO position as of October 30, 2024 and has found that the proposed compensation in the salary range of \$300,000 to \$400,000 is just and reasonable to the Corporation based on its review of job duties and salaries paid by similarly situated organizations (both taxable and tax-exempt) for similar services and current

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compensation surveys compiled by independent firms for comparable positions within other comparable agencies.

**Section 3.** The Board hereby (1) adopts the job description for the newly created at-will position of Deputy Chief Executive Officer and CFO attached hereto as Exhibit A; (2) approves the salary range of \$300,000 to \$400,000 for the position; (3) authorizes the President and Chief Executive Officer to make an appointment to the newly created position at a salary within the approved salary range; and (4) authorizes the President and Chief Executive Officer to enter into an employment agreement with the employee for the position on behalf of the Corporation to provide for the terms and conditions of employment including but not limited to salary, benefits, and severance.

**Section 4.** This Resolution shall become effective immediately upon adoption.

**PASSED, APPROVED and ADOPTED** this 30th day of October 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Jeff Gattas, Chairperson

ATTEST:

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Alyssa Turowski, Secretary of the Board