

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

**WEDNESDAY, DECEMBER 11, 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#**

**The Executive Office elevator is currently out-of-service; however, members of the public who are mobility impaired may observe and/or provide public commentary for this meeting from the Administrative Conference Room located at Hall “E”, Mezzanine Level.**

**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 Meeting of October 30, 2024 and “Special” Board Meeting of October 30, 2024**

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

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

**(1) Chief Financial Officer Report**

**(2) Authorization to Approve Contingency for Chiller Repair Costs**

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

**(1) Authorization to Approve Employee Health and Welfare Benefits  
2025-2026 Through Marsh McLennan**

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

**(1) A Resolution of the San Diego Convention Center Corporation, Inc. Finding that the Compensation of the President & CEO is Just and Reasonable, Approving the Sixth Amendment to the Amended and Restated Employment Agreement Between the Corporation and Rippetoe, and Authorizing the Chair to Execute**

**the Sixth Amendment to Amend the Terms of Employment as Specified Herein**

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

**(1) Election of 2025 Board Officers**

**(2) Ratification of Board Committee Assignments**

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)

**Adjournment**

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## **Agenda Item 3.A**

### **MINUTES\*** **SAN DIEGO CONVENTION CENTER CORPORATION** **“SPECIAL” BOARD OF DIRECTORS** **BOARD MEETING OCTOBER 30, 2024**

**BOARD MEMBERS PRESENT:** Chair Jeff Gattas and Directors Will Rodriguez-Kennedy, Shawn VanDiver, Sam Nejabat and Gretchen Newsom

**BOARD MEMBER(S) ABSENT:** Director Alyssa Turowski and Director Jaymie Bradford

**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**

Chair Jeff Gattas called the Board Meeting to order at 12:02 p.m. in the Executive Boardroom of the San Diego Convention Center Corporation, 111 West Harbor Drive, San Diego, CA 92101.

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

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

All Directors were recorded as present except Directors Alyssa Turowski and Jaymie Bradford. Chair Gattas noted that all votes taken during this meeting would be recorded via roll call vote.

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

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

**Consent Agenda:**

**A. Approval of Amendment to the San Diego Convention Center Corporation Conflict of Interest Code**

After presentation by staff, and Board discussion, Chair Gattas 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 presentations by Staff, and Board discussion, Directors Rodriguez-Kennedy and VanDiver moved and seconded, respectively, to Approve the Consent Agenda as set forth hereinabove.**

**Director Gattas – Aye**

**Director VanDiver – Aye**

**Director Bradford – Absent**

**Director Rodriguez-Kennedy – Aye**

**Director Turowski – Absent**

**Director Nejabat – Aye**

**Director Newsom – Aye**

**Vote: Unanimous**

**AYES: 5**

**NAYS: 0**

**ABSTENTIONS: 0**

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

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

There being no further business, the meeting adjourned at 12:04 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 October 30, 2024, and that said minutes were approved by the Board of Directors on December 11, 2024.

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Alyssa Turowski, Secretary

## Agenda Item 3.A

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

#### BOARD MEETING OCTOBER 30, 2024

**BOARD MEMBERS PRESENT:** Chair Jeff Gattas and Directors Shawn VanDiver Will Rodriguez-Kennedy, Sam Nejabat and Gretchen Newsom

**BOARD MEMBER(S) ABSENT:** Directors Jaymie Bradford and Alyssa Turowski

**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

Chair Jeff Gattas called the Board Meeting to order at 12:05 p.m. in the Executive Boardroom of the San Diego Convention Center Corporation, 111 West Harbor Drive, San Diego, CA 92101.

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

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

All Directors were recorded as present except Director Jaymie Bradford and Director Alyssa Turowski. Chair Gattas noted that all votes taken during this meeting would be recorded via roll call vote.

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

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

**A. Approval of Minutes of Board Meeting of August 28, 2024**

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

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

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

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

**Vote: Unanimous**

**AYES: 5**

**NAYS: 0**

**ABSTENTIONS: 0**

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

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

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

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

**After presentations by Staff and auditor representatives, request for public comment and for Director discussion, Directors VanDiver and Rodriguez-Kennedy moved and seconded, respectively, to Authorize Acceptance of Audited Annual Financial Reports for the Fiscal Year Ended June 20, 2024.**

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

**Vote: Unanimous**

**AYES: 5**

**NAYS: 0**

**ABSTENTIONS: 0**

**B. Budget Committee (Will Rodriguez-Kennedy)** – As a preamble to the CFO update, Budget Chair Rodriguez-Kennedy stated that he plans to introduce proposed revisions to the format of Board Memoranda that are prepared by staff regarding agendaized Board “action items” and submitted to Board Directors for review.

**(1) Chief Financial Officer Update**

CFO Mardeen Mattix reported:

- Since the Board has approved the audited financial statements for 2024, Staff will now issue July, August, and September financial statements. As indicated, we have had some last-minute changes regarding how staff is going to present the financial statements going forward. What that will look like in the future is, without the City’s funding being reported in operations, and with a component of that funding being a pass-through opportunity to fund the Corporation’s Sales & Marketing efforts, it will now become even more difficult to meet the unspoken rule that the Corporation needs to budget to its operating revenue and be able to always hit a zero-bottom line. We will now forever have a pass-through marketing arrangement, or some sort of expense, when it is related to sales that will be funded from the City but will not be a part of operating revenue to support that. So, it just becomes more difficult to continue that same narrative. Going forward we will need to tell our story a little differently. We need to reset that expectation in the very near term.
- The good news is that the Corporation’s revenues continue to be strong.
- Through August the Corporation was pretty much on track with budget but due to unanticipated issues locally, we gleaned greater revenues in September and October as we took on some unexpected events in the very short term that yielded much higher ancillary revenues than were originally budgeted.
- As for some of the unexpected costs that we are bringing forward as we discover items that we did not budget for as we are building out a more robust maintenance and capital plan, so far this year, it appears those costs will be absorbed out of the Corporation’s revenues as we are trending to be ahead of budget.
- The Corporation has also been very conservative about its spending, and it appears that we are performing better than budgeted year to date. Although the Corporation made the commitment to be very conservative in spending during the first half of the year, we do have some large expenses coming

forward through the latter half of the year so we will likely catch up to the expenses reflected in the budget.

After Ms. Mattix completed her update, Chair Gattas 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. Chair Gattas then called for Board discussion, to which there was no response. Chair Gattas noted that this agenda item requires no vote since it is an informational item.

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

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 VanDiver, and Newsom, moved and seconded, respectively, to Authorize a five-year Contract with Otis Elevator for Elevator and Escalator Maintenance with a not-to-exceed contract value of \$3,959,654.79.**

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

**Vote: Unanimous**

**AYES: 5**

**NAYS: 0**

**ABSTENTIONS: 0**

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

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.3). No members of the public responded to the request for comment.

**After presentations by Staff, request for public comment and for Director discussion, Directors VanDiver and Nejabat, moved and seconded, respectively, to Authorize a Contract with Precision Electric for Transformer Replacement with a contract value of \$144,887.70 plus a 10% contingency of \$14,488, for a total not-to-exceed budget of \$159,375.70.**

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



**Director Turowski – Absent**  
**Director Nejabat – Aye**  
**Director Newsom - Aye**

**Vote: Unanimous**

**AYES: 5**

**NAYS: 0**

**ABSTENTIONS: 0**

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

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.4). 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 Authorize a Contract with Sloan Electric for Stormwater Repairs with a contract value of \$375,885.37 plus a 10% contingency of \$37,555.54, for a total not-to-exceed contract value of \$413,440.91 which will be funded by \$456,000 allocated from the City.**

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

**Vote: Unanimous**

**AYES: 5**

**NAYS: 0**

**ABSTENTIONS: 0**

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

Mr. Mikschl reported the following:

- The Sales Committee reviewed the year-to-date activity for short-term sales and there have been sixteen events booked thus far this fiscal year for \$750,000 in rental revenue (of a \$1.5 million goal) and the team is off to a good start.
- The team had a couple of events book very short term due to those events' need to relocate to the convention center from another local venue. Those relocations added considerable rent and food and beverage revenue for the month of October.
- The short-term sales team is continuing with its strategy of being selective in what business is being booked on a short-term basis and that philosophy held up for all of fiscal year 2024, the results of which the team reported upon during the Sales Committee meeting.
- During F.Y. 2024, forty-three events were booked with just over 300,000 attendees, over twenty thousand room nights, and represented and \$1,700,000 in contracted

rental revenue. That is all generally within an 18-month period which means the team is not only driving incremental revenue to the building, but incremental hotel room nights with our hotel partners. The team had a good end to F.Y. 2024 and a good start to F.Y. 2025.

Ms. Coker reported on the following City-wide team sales highlights:

- During the Brand USA and the Travel and Tourism Board meetings that were just held in Washington, D.C., it was reported by Secretary Rolando that the number of wait days for visas are coming down. That is important to San Diego because most of the medical groups that come to San Diego have an international component. In some city-wide events, up to forty percent of the attendance is international.
- Under the Secretary of Commerce's Office, going forward, there is going to be a coordinated effort for national sporting events which could have an impact on local TOT (FIFA, Olympics, etc.). With FIFA having thirteen cities across the country, instead of each city acting individually, a coordinated effort will deal with things like infrastructure, visa wait times, etc. Those coming to Los Angeles will not just stay in Los Angeles. They will travel further south and that benefits San Diego.
- From a business perspective, the year looks really strong. Through September, San Diego is still number (3) in terms of hotel occupancy (number (2) is Hawaii). In average rates and RevPAR, San Diego is at number (4) in rates and holding its own in RevPAR which is great when you are talking about the health of the market.
- When we examine group travel, San Diego is number (5) in the country and only second to Phoenix and Phoenix really beats San Diego during the January, February period. But to put in in perspective, when you are talking about the top twenty-five markets, with San Diego being number (5), number (12) is Anaheim. Los Angeles is (23) and San Francisco is number (22). So, there is a huge disparity between what is happening in San Diego and what is happening in the rest of California. There is a lot for San Diego to be proud of. As a matter of reference, Orlando, Nashville, and Denver are your top venues, but of course, you understand the amount of space that they have.
- Andy has already discussed how well F.Y. 2024 ended but a couple of items to consider are: (1) when you look at the 800,000 room nights that were booked for F.Y. 2024, 620,000 are placed within the next five to ten years. (2) We are no longer coming to you with pieces of business that are booked 18 – 20 years from now. We are looking at booking business much more strategically and that is an increase from 2019, for example, when 42% of business was booked more than ten years out. In the past, most of the long-term bookings were 15 years and further out, this year, in fiscal year 2024, when we closed, none of the bookings were 15 years out. We are keeping a much closer eye on the short term, and then if you look at ten to fifteen years out, 412,000 room nights are placed.
- What we refer to as “need months” here in San Diego, because of weather, are January and December, and we were able to book ASH during that period.
- Sales activity is the busiest for the team in the fall. The team was at ASAE in August, they just wrapped up IMEX, and the team will have a road show in the Midwest, Chicago, and Minneapolis in November. The annual Butch McGuire's event will take place in December and Kavin will head to D.C. in November for a five to six city roundtable and they will meet with top hoteliers and top customers to talk about room block opportunities and making sure that as we are selling city-wide events locally and in other cities, that we are looking at that room block very

closely and making sure that hoteliers are planning as they can to insure a very robust room block.

- Ms. Coker reported that her last day with S.D.T.A. in the building will be November 22<sup>nd</sup> and she will be available until the 6<sup>th</sup> of December. S.D.T.A. has established a search committee and a national search for her replacement is underway. The convention center will, of course, play a part in selecting the final candidate.
- Chair Gattas thanked Ms. Coker for everything she has done for San Diego, the convention/trade industry, and the hotel industry. He further indicated she was an asset to the region which benefited greatly from her experience, excitement and motivation and she would be greatly missed.

After staff submitted its report, Chair Gattas inquired if any member of the public wished to comment on Agenda Item (4.C). No members of the public responded to the request for comment.

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

- The center has been very busy, and Mr. Rippetoe provided a list of recent events that have occurred since the last Board meeting and noted that our team (staff and partners) is doing a great job of taking care of and providing great service to the center's customers.
- SDCCC was recognized as one of the top "Twenty-five Convention Centers of Excellence in North America" since the last Board meeting. That recognition puts the center in an elite class.
- The Leadership Development RFP process is progressing. The Corporation received 24 bids, and those bids were shortlisted down to five entities. Interviews will begin shortly.
- Staff is also conducting a survey regarding venues that will be coming online shortly that may impact the center from either a competitive standpoint or from an employee retention standpoint with our team members. More information will be forthcoming.
- Mr. Rippetoe also provided an update regarding how an increase in "Gen Z" employees in the work force will impact exhibition trends over the next few years (events will be more experiential and technology driven), as reported by Freeman Research. Our team needs to prepare for this generational shift.

After staff submitted its report, Chair Gattas inquired if any member of the public wished to comment on Agenda Item (5). No members of the public responded to the request for comment.

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

- Chair Gattas reported that he has appointed Director Newsom and Director Nejabat to serve on the Ad Hoc Nominating Committee to determine the slate of officers for SDCCC 2025 Board service. The proposed slate will be announced one week prior to the December Board meeting.
- Board Retreat Update: We are rescheduling the Board Retreat from November 19, 2024, to early next year in the month of February, which will begin with a Board meeting to discuss health insurance and other important matters as originally

scheduled for this day. This change allows us to take a closer look at several key issues, including the funding impacts related to our capital planning and the need to move from a three-year to a five-year capital plan as we explore funding opportunities that may be available in 2028. Staff will also continue with the transition in executive leadership and preparation for onboarding a new Board member.

- Regarding the outcome of Measure “G,” Chair Gattas does not want the Board or staff to lose sight of the conversations that were had with Council Members and the Mayor’s office regarding the SDCCC budget and potential budget shortfalls and some of the problems we may experience. If Measure “G” does pass next week, Board and staff should be prepared to move forward immediately. Delaying the Board Retreat into February will also lend clarity to the various impacts of the outcome of Measure “G.”
- The next Board meeting is tentatively scheduled for December 11, 2024, at Noon.

After Chair Gattas submitted his report, Chair Gattas inquired if any member of the public wished to comment on Agenda Item (6). No members of the public responded to the request for comment.

7. **Board Comment [Govt. Code § 54954.2(a) (2)]** – Former Board Director Carol Kim submitted a speaker’s slip requesting an opportunity to address the Board regarding Agenda Item (4.D.1), and she was granted an opportunity to address her comments to the Board regarding her support of the Board creating a Deputy CEO/CFO position and her further support of appointing CFO Mardeen Mattix to that new position.
8. **Urgent non-agenda items** (must meet the requirements of Government Code, Section 54954.2): **None**
9. **Closed Session:** The Board entered into closed session at 1:15 p.m. to discuss the items set forth below.
  - 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**

The Board returned to open session at 2:15 p.m.

Reporting out of closed session, General Counsel Lyon stated that the Board discussed Items “9.A,” “9.B,” and “9.C,” and direction was given but no reportable action was taken.

**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**

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

General Counsel Lyon reported that with respect to Resolution 2024-06, there are references in Section 2 and Section 3 to a salary range of \$300,000 to \$400,000 for the Deputy CEO/CFO position. That figure will be changed to \$350,000 to \$400,000 in both of those places in Section 2 and Section 3. With respect to the Job Description for the position, which is an attachment to Resolution 2024-06, in the second paragraph related to the position description, instead of the language “72 hours advance notice to the Board,” the wording will be “five business days advance notice to the Board.”

**After presentations by Staff, request for public comment and for Director discussion, Directors Rodriguez-Kennedy and Newsom moved and seconded, respectively, to Approve a Resolution of the San Diego Convention Center Corporation, Inc., with the revisions as set forth hereinabove, 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.**

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

**Director Turowski – Absent**

**Director Nejabat – Aye**

**Director Newsom - Aye**

**Vote: Unanimous**

**AYES: 5**

**NAYS: 0**

**ABSTENTIONS: 0**

There being no further business, the meeting adjourned at 2:16 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 October 30, 2024, and that said minutes were approved by the Board of Directors on December 11, 2024.

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Alyssa Turowski, Secretary

## Agenda Item 4.A.1

### CFO Report to Board of Directors For the month ending October 31, 2024 (As of December 2, 2024)

#### **Financial Performance:**

**Revenue:** Over the first four months of the year, revenue has exceeded budget expectations, fueled by a combination of new events surpassing projections and an unexpected short-term business opportunity arising from the Hilton strike that relocated to our facility. We successfully hosted a new, full facility corporate event that spanned 28 hotels citywide, generating over \$3 million in revenue over three days. This event aligns with the type of business our new sales model aims to attract. However, the client ultimately decided to withdraw their 2028 booking, as they prefer venues with a more centralized, high-capacity setting that can accommodate all delegates, relocating to Las Vegas for future years. Additionally increasing revenues was a last-minute, short term piece of business, initially planned for the Hilton, which was relocated to our facility due to the strike. This food and beverage-focused event contributed an unexpected \$500,000 to our overall revenue.

Summary of Events through Oct	
Citywide Events	16
Short-term	16
Econ Impact	\$551.1M
Attendees	283,215
Est Tax Rev to City	\$12M

**Expenses:** Most expenses are on track with the budget, except for repair and maintenance, wardrobe supplies, and amortization of leased assets. Repair and maintenance has been challenging due to limited time around event schedules, with some central plant repairs reclassified as capital expenditures due to their unplanned, high-cost nature. Wardrobe supplies are under budget due to delays in finalizing the new uniform contract, caused by renegotiated quantity adjustments during labor negotiations. Additionally, amortization of leased assets will reflect an unplanned \$121K monthly expense due to the earlier-than-expected execution of the marshal yard contract, resulting in an anticipated \$1M in excess costs by year-end.

**Operating results:** While the budgeted year-to-date operational loss was projected at \$4.1 million, our actual performance yields a positive \$1.7 million, resulting in a favorable variance of \$5.8 million due to prudent spending and unplanned exceptional event activity. Reserves started the year at \$27,356,529 and remains robust at approximately \$28.8 million, after considering IBank debt payments and capital investments.

**San Diego Convention Center Corporation - Detailed Statement of Revenues & Expenses**  
**FY2025 Corporate Summary**  
**For the Month Ended October 31, 2024**

	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>								
Building Rent - Net	803,645	881,647	78,002	3,068,042	3,042,235	(25,807)	8,849,187	5,806,952
Food & Beverage	1,571,428	2,736,819	1,165,391	5,805,676	7,800,394	1,994,718	17,943,514	10,143,120
Event Services	428,665	597,369	168,704	1,680,453	2,116,300	435,847	5,230,729	3,114,429
Utilities	254,702	946,435	691,733	1,607,278	2,517,390	910,112	7,410,910	4,893,520
Telecommunications	293,335	693,773	400,438	2,136,772	2,279,820	143,048	5,785,568	3,505,748
Audio Visual	193,162	191,470	(1,692)	648,808	588,067	(60,741)	1,897,830	1,309,763
Other Ancillaries	65,416	111,539	46,123	289,664	332,761	43,097	706,250	373,489
Other Revenues	0	100	100	0	52,264	52,264	3,000	(49,264)
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 3,610,353</b>	<b>\$ 6,159,152</b>	<b>\$ 2,548,799</b>	<b>\$ 15,236,693</b>	<b>\$ 18,729,233</b>	<b>\$ 3,492,540</b>	<b>\$ 47,826,988</b>	<b>\$ 29,097,755</b>
<b>PERSONNEL EXPENSES</b>								
Salaries & Wages - Full Time	1,873,009	1,589,020	283,989	7,248,021	6,682,929	565,092	21,211,564	14,528,635
Salaries & Wages - Part Time	466,737	498,730	(31,993)	2,065,396	1,915,641	149,755	5,850,833	3,935,192
Fringe Benefits	610,644	604,715	5,929	2,431,476	2,285,786	145,690	7,176,191	4,890,405
<b>Total: Personnel Expenses</b>	<b>\$ 2,950,390</b>	<b>\$ 2,692,465</b>	<b>\$ 257,925</b>	<b>\$ 11,744,893</b>	<b>\$ 10,884,356</b>	<b>\$ 860,537</b>	<b>\$ 34,238,588</b>	<b>\$ 23,354,232</b>
<b>SUPPLIES &amp; SERVICES EXPENSES</b>								
General Expenses	122,249	133,074	(10,825)	576,149	452,120	124,029	2,471,027	2,018,907
Repairs & Maintenance	488,585	257,472	231,113	1,851,203	1,190,146	661,057	5,582,301	4,392,155
Utilities	690,584	624,711	65,873	2,978,336	2,812,609	165,727	7,155,000	4,342,391
Contracted Services	67,321	75,531	(8,210)	592,795	547,459	45,336	1,400,760	853,301
Travel & Transportation	16,291	14,614	1,677	40,844	49,042	(8,198)	97,925	48,883
Insurance	82,182	78,575	3,607	328,722	303,374	25,348	1,011,286	707,912
Telecom Services	7,148	4,937	2,211	30,192	19,786	10,406	83,100	63,314
Sales & Marketing	235,474	234,713	761	954,871	938,178	16,693	2,876,545	1,938,367
Supplies	67,321	34,259	33,062	495,787	233,188	262,599	1,032,605	799,417
<b>Total: Supplies &amp; Services Expenses</b>	<b>\$ 1,777,155</b>	<b>\$ 1,457,887</b>	<b>\$ 319,268</b>	<b>\$ 7,848,899</b>	<b>\$ 6,545,902</b>	<b>\$ 1,302,997</b>	<b>\$ 21,710,549</b>	<b>\$ 15,164,647</b>
<b>DEPRECIATION</b>								
Depreciation	238,525	238,324	201	954,100	952,628	1,472	3,012,300	2,059,672
Amortization	46,764	167,578	(120,814)	187,056	428,684	(241,628)	561,184	132,500
<b>Total: Depreciation &amp; Amortization</b>	<b>\$ 285,289</b>	<b>\$ 405,902</b>	<b>\$ (120,613)</b>	<b>\$ 1,141,156</b>	<b>\$ 1,381,312</b>	<b>\$ (240,156)</b>	<b>\$ 3,573,484</b>	<b>\$ 2,192,172</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 5,012,834</b>	<b>\$ 4,556,254</b>	<b>\$ 456,580</b>	<b>\$ 20,734,948</b>	<b>\$ 18,811,570</b>	<b>\$ 1,923,378</b>	<b>\$ 59,522,621</b>	<b>\$ 40,711,051</b>
<b>NET OPERATING INCOME/(LOSS)</b>	<b>\$ (1,402,481)</b>	<b>\$ 1,602,898</b>	<b>\$ 3,005,379</b>	<b>\$ (5,498,255)</b>	<b>\$ (82,337)</b>	<b>\$ 5,415,918</b>	<b>\$ (11,695,633)</b>	<b>\$ (11,613,296)</b>
<b>NON-OPERATING</b>								
Total: NON-OPERATING REVENUE	\$ 461,466	\$ 257,090	\$ (204,376)	\$ 1,680,046	\$ 2,054,920	\$ 374,874	\$ 5,410,881	\$ 3,355,961
Total: NON-OPERATING EXPENSE	\$ 69,379	\$ 67,085	\$ 2,294	\$ 282,570	\$ 282,570	\$ (0)	\$ 834,036	\$ 551,466
<b>NET NON-OPERATING REVENUE (EXPENSE)</b>	<b>\$ 392,087</b>	<b>\$ 190,005</b>	<b>\$ (202,082)</b>	<b>\$ 1,397,476</b>	<b>\$ 1,772,350</b>	<b>\$ 374,874</b>	<b>\$ 4,576,845</b>	<b>\$ -</b>
<b>CHANGE IN NET POSITION (YTD Income/Loss)</b>	<b>\$ (1,010,394)</b>	<b>\$ 1,792,903</b>	<b>\$ 2,803,297</b>	<b>\$ (4,100,779)</b>	<b>\$ 1,690,013</b>	<b>\$ 5,790,792</b>	<b>\$ (7,118,788)</b>	<b>\$ (8,808,801)</b>
<b>+ Depreciation (does not impact reserves)</b>	285,289	405,902	120,613	1,141,156	1,381,312	240,156	3,573,484	2,192,172
- Principal: IBank Loan & Lease Payable	(50,031)	(50,031)	0	(1,071,041)	(1,071,041)	0	(1,467,880)	(396,839)
- Capital Purchases	(1,455,242)	(404,984)	1,050,258	(4,078,446)	(600,767)	3,477,679	(8,777,078)	(8,176,311)
<b>TOTAL NET IMPACT ON RESERVES</b>	<b>\$ (2,230,378)</b>	<b>\$ 1,743,790</b>	<b>\$ 3,974,168</b>	<b>\$ (8,109,110)</b>	<b>\$ 1,399,517</b>	<b>\$ 9,508,627</b>	<b>\$ (13,790,262)</b>	<b>\$ (15,189,779)</b>
<b>OPERATING RESERVE ACTIVITY</b>								
<b>Beginning Operating Reserve:</b>	-	-	-	-	27,356,529	-	23,397,347	3,959,182
+ Change in Net Position	-	-	-	-	1,690,013	-	-7,118,788	8,808,801
+ Depreciation & Amortization (No Impact)	-	-	-	-	1,381,312	-	3,573,484	-2,192,172
- Principal Payments: IBank Loan & Leases	-	-	-	-	-1,071,041	-	-1,467,880	396,839
- Capital Investments	-	-	-	-	-600,767	-	-8,777,078	8,176,311
- Restricted Reserve Adjustment	-	-	-	-	0	-	0	0
<b>Ending Reserve Balance:</b>	-	-	-	-	28,756,045	-	9,607,085	19,148,961



**San Diego Convention Center Corporation**  
**Statement of Net Position**  
October 31, 2024

	October 31, 2024	June 30, 2024	Variance	% Change
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	6,218,661	7,963,046	(1,744,385)	-22%
Restricted cash	2,120,790	2,120,790	0	0%
Investments	30,083,044	25,169,159	4,913,885	20%
Accounts receivable, net	8,867,053	8,025,419	841,634	10%
Notes receivable	0	0	0	--
Prepaid expenses	1,008,462	1,320,145	(311,683)	-24%
Deposits with others	143,177	143,177	0	0%
Inventory	48,891	48,891	0	0%
Total Current Assets	48,490,078	44,790,628	3,699,450	8%
Noncurrent Assets:				
Accounts receivable	7,000,000	500,000	6,500,000	1300%
Notes receivable	0	0	0	--
Capital assets:				
Construction in progress	4,856,746	4,642,487	214,260	5%
Furniture, equipment and softwar	8,157,472	8,149,595	7,877	0%
Leasehold improvements	67,180,661	66,824,031	356,630	1%
Land	0	0	0	--
Less: Accumulated depreciation	(45,761,148)	(44,401,837)	(1,359,312)	3%
Right-of-Use Lease Asset	30,601,054	1,122,331	29,478,723	2627%
Total Capital assets, net	65,034,784	36,336,607	28,698,178	79%
Total Noncurrent Assets	72,034,784	36,836,607	35,198,178	96%
<b>Total Assets</b>	<b>120,524,862</b>	<b>81,627,234</b>	<b>38,897,628</b>	<b>48%</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	148,423	1,016,166	(867,743)	-85%
Accrued liabilities	2,051,594	1,719,232	332,362	19%
Accrued interest & loan admin fee	201,255	381,929	(180,674)	-47%
Retention payable	153,124	146,860	6,264	4%
Compensated employee absences	1,429,918	1,352,453	77,465	6%
Unearned income	7,407,363	5,113,674	2,293,689	45%
Accrued workers comp claims liabiti	1,255,422	1,250,636	4,785	0%
Current portion of long-term debt	1,754,540	1,326,881	427,659	32%
Total Current Liabilities	14,401,639	12,307,831	2,093,808	17%
Noncurrent Liabilities:				
Long-term debt	48,674,637	20,694,614	27,980,023	135%
Long-term portion of unearned inco	10,146,826	3,013,042	7,133,784	237%
Compensated employee absences	321,466	321,466	0	0%
Total Noncurrent Liabilities	59,142,928	24,029,121	35,113,807	146%
<b>Total Liabilities</b>	<b>73,544,567</b>	<b>36,336,952</b>	<b>37,207,615</b>	<b>102%</b>
<b>NET POSITION</b>				
Net investment in capital assets	16,104,378	15,813,882	290,496	2%
Restricted	2,120,790	2,120,790	0	0%
Unrestricted	28,755,127	27,355,610	1,399,517	5%
Total net position	46,980,295	45,290,282	1,690,013	4%
<b>Total Liabilities and Net Position</b>	<b>120,524,862</b>	<b>81,627,234</b>	<b>38,897,628</b>	<b>48%</b>

## **Agenda Item 4.A.2**

# **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 December 11, 2024

**RE:** Authorization to Approve Contingency for Chiller Repair Costs

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### **BACKGROUND**

The San Diego Convention Center's heating, ventilation, and air conditioning (HVAC) systems are essential for providing thermal comfort to all occupants. Among these systems, five (5) chillers, three (3) large capacity and two (2) smaller capacity—are essential to meet cooling demands, especially during peak summer temperatures. In November 2024, Chiller-4, a smaller capacity unit, experienced a power failure that caused irreparable damage to the variable frequency drive (VFD), three (3) pre-charge resistors, and one (1) high voltage line resistor.

In recent years, the central plant has faced numerous unplanned repairs due to aging equipment that has exceeded its useful life. The plant is currently being evaluated for redesign and replacement due to its limited capacity and efficiency. In the interim, staff will continue to address emergency repairs and will rent a large chiller during the summer months to ensure proper cooling for events with high attendance until the central plant can be replaced.

### **DISCUSSION**

Upon failure of components in Chiller-4, staff engaged Jackson & Blanc, the contracted maintenance vendor for the Corporation's chillers, to assess the damage. It was determined that the fuse in the electrical vault had tripped, causing damage to the VFD and resistors. However, the final inspection could not occur until a replacement fuse was purchased and installed, which was expedited through Radwell International, LLC for \$728.54.

Jackson & Blanc is currently troubleshooting the root cause of the fuse trip but has confirmed that the VFD and resistors are beyond repair and require replacement. Staff obtained proposals from two vendors for the necessary parts, and Jackson & Blanc provided the best value with the shortest lead time to ensure the chiller is operational before the summer months.

### **BUDGETARY IMPACT**

Due to the unforeseen nature of this failure, the repair has been reclassified as an unplanned, unbudgeted capital expenditure. The costs associated with replacing the VFD and resistors—including parts, labor, and related repairs—were not anticipated in the current capital budget, though there is funding available in the repair and maintenance line item to cover the expenses.

Staff have informed Budget Chair Rodriguez-Kennedy of the emergency situation and have placed an order for the necessary parts, with approval from the President & CEO under the budgetary authority up to \$100,000.

Given that the total project cost is approaching the \$100,000 limit (\$99,764.00), staff are requesting Board approval for a 10% contingency allowance of \$9,977.40 to cover any unforeseen costs. This would bring the total project cost to \$110,469.94, exceeding staff's approval authority by \$10,469.94.

#### RECOMMENDATION

Authorization to approve payment for chiller repairs: \$728.54 to Radwell, and an additional 10% contingency allowance of \$9,977.40 for unforeseen costs, bringing the total not-to-exceed capital project value to \$110,468.94.

\_\_\_\_\_/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: JACKSON & BLANC

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

Address (Corporate Headquarters, where applicable): 7929 ARJONS DRIVE

City: SAN DIEGO County: SAN DIEGO State: CA Zip: 92126

Telephone Number: 858-831-7900

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

Name of Company CEO: KIRK I JACKSON

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: HVAC INSTALLATION & SERVICE

Type of License: C20 C4 C43 C38 C36 C-7 B

The Company has appointed: JEANETTE L ALTIG

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: 7929 ARJONS DRIVE, SAN DIEGO, CA 92126

Telephone Number: 858-831-7900

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

Email: jaltig@jacksonandblanc.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 JACKSON & BLANC

(Firm Name)

SAN DIEGO

CA

hereby certify that information provided

(County)

(State)

herein is true and correct. This document was executed on this 2 day of DECEMBER, 2024

  
(Authorized Signature)

JEANETTE L ALTIG

(Print Authorized Signature Name)

**WORK FORCE REPORT – Page 2**NAME OF FIRM: JACKSON & BLANCDATE: 12/02/2024OFFICE(S) or BRANCH(ES): OFFICESCOUNTY: 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					1						7	1		
Professional														
A&E, Science, Computer														
Technical														
Sales			1	1	1						12	1	1	
Administrative Support			1	2							3	12		
Services														
Crafts	5		57	2	6		1		2		76		5	
Operative Workers														
Transportation														
Laborers*											1			

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

Totals Each Column	5		59	5	8		1		2		99	13	6	
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Grand Total All Employees

199

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: **JACKSON & BLANC**

DATE: **12/02/2024**

OFFICE(S) or BRANCH(ES): **OFFICE**

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

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	2		37	1	1		1		1		52		4	
Plasterers & Stucco Masons														
Roofers														
Security Guards & Surveillance Officers														
Sheet Metal Workers	3		20	1	5				1		24		1	
Structural Metal Fabricators & Fitters														
Welding, Soldering & Brazing Workers														
Workers, Extractive Crafts, Miners														

Totals Each Column	5		57	2	6		1		2		76		5	
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**Grand Total All Employees**
**154**

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

Disabled														
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## Agenda Item 4.B.1

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

**TO:** Board of Directors

**FROM:** Mardeen Mattix, Deputy Chief Executive Officer & CFO

**DATE:** For the Agenda of December 11, 2024

**RE:** Authorization to Approve Employee Health and Welfare Benefits  
2025-2026 through Marsh & McLennan

---

### **OVERVIEW**

The San Diego Convention Center Corporation (SDCCC) is preparing for the annual renewal of employee Health and Welfare Benefits for the plan year starting March 1st. This includes medical, dental, vision, life, accidental death and dismemberment (AD&D), long-term disability, flexible spending, and other voluntary benefits. Key points of this memo include:

- Proposed changes to the benefits package.
- A summary of new medical plan options.
- Financial considerations for both SDCCC and employees.

Marsh & McLennan (Marsh) has been the broker since March 2018, with an option to extend it through February 2025. SDCCC proposes to extend this contract through February 2026, continuing Marsh's brokerage services for the upcoming plan year.

### **OBJECTIVES OF HEALTH RENEWAL**

- **Comprehensive Coverage:** Offer a competitive benefits package supporting employee health.
- **Minimize Disruption:** Reduce disruption for employees by maintaining familiar providers where possible.
- **Compliance:** Ensure compliance with all regulations.
- **Financial Sustainability:** Balance cost control with maintaining quality benefits.

### **PROPOSED CHANGES**

#### **1. Switch Medical Carrier to Sharp**

Aetna's initial renewal increase was 29.9%, with a final renegotiated reduction to 27.9%, due to high claims and member demographics.

SDCCC evaluated the impact of the premium increase, considering options to absorb the cost or pass it on to employees, while also aligning the deductible structure with industry standards. Sharp provided a more favorable network match and a lower renewal increase.

Recommendation: Switch to Sharp, which offers a better cost structure and minimal disruption, as 94% of employees already use Sharp providers. The remaining employees will need to select a new provider or continue with their existing provider by enrolling in a new plan.

## **2. New Sharp Medical Plans**

SDCCC plans to introduce two Sharp plans: one HMO and one Point of Service (POS) plan.

- The Sharp HMO plan is cost-effective and has a provider network familiar to most employees.
- The Sharp POS plan allows access to external providers (e.g., Scripps, UCSD) with manageable cost-sharing.

The SIMNSA HMO plan will remain, catering to Mexican Nationals, with a 6% premium increase (~\$3,800).

## **3. Changes to Deductibles and Out-of-Pocket Limits**

For the Sharp plans, the deductible will be increased to better align with market standards. The new deductible limits are \$1000 for individual and \$2,000 for family coverage, up from \$500/\$1000 limits but still below benchmark standards. Only specific services count toward the deductible, such as emergency room visits, outpatient/inpatient care, residential treatment and skilled nursing care.

*\*\*Deductibles do not apply to preventive care, routine exams, immunizations, primary care, specialist visits, urgent care, or prescription drugs. **Preventive care will remain deductible-free.***

## **4. Rate Guarantees for Other Benefits**

**Dental:** United Concordia and SIMNSA – No increase.

**Vision:** EyeMed – No increase.

**Life & Disability:** The Hartford Group – No increase for employer-paid policies.

**Flexible Spending:** IGOE – No increase for employee cost.



## **FINANCIAL IMPACT**

SDCCC will save ~\$25,000 in premiums for 2025-2026 by switching to Sharp. The plan design also includes:

- \$25,000 implementation credit for technology and marketing costs
- \$10,000 for wellness initiatives

These savings will ensure that employee contributions for the Sharp HMO and SIMNSA plans remain unchanged through 2025.

## **EMPLOYEE ENROLLMENT AND COMMUNICATION**

***Enrollment Period:*** January 29 – February 7, 2025.

***Employee Education:*** Educational campaigns will ensure understanding of new options.

***Enrollment Assistance:*** Town halls, one-on-one meetings, virtual sessions, and a detailed benefits guide will be available.

## **Aetna vs. Sharp HMO Plan Comparison**

MEDICAL PLANS	Aetna	Sharp Health Plan
	CURRENT / RENEWAL Aetna AVN 500 Ded/\$20/40/20% RX3	Plan Option Sharp NG40L 10/25/50
Deductible - Ind. / Family	In Network Only \$500 / \$1,000	In Network Only \$1,000 / \$2,000
Out of Pocket Maximum - Ind. / Family	\$3,000 / \$5,000	\$3,500 / \$7,000
<b>Medical Services</b>		
<b>Preventive Care Services</b>	No Charge	No Charge
Primary Care Visit	\$20	\$20
Specialist Office Visit	\$40	\$20
Basic X-ray and Laboratory	\$40 (X-ray) / No charge (Lab)	No charge
Complex Imaging (MRI, CT Scan, etc.)	\$150	\$75
Inpatient Hospital	20% after Deductible	20% after Deductible
Outpatient Hospital Surgery	20% after Deductible	20% after Deductible
Emergency Room	\$150 after Deductible	\$150 after Deductible
Urgent Care	\$50	\$30
Chiropractic (Rider)	\$15 (20 visits)	\$15 (40 visits combined w/ Acu)
Acupuncture (Rider)	\$15 (20 visits)	\$15 (40 visits combined w/ Chiro)
Rehab Therapy (Physical Occ & Speech)	\$40	\$20
<b>Prescription Drugs</b>		
Generic / Tier 1	\$10	\$10
Formulary / Tier 2	\$30	\$25
Non-Formulary / Tier 3	\$50	\$50
Specialty / Tier 4	30% to \$250	\$25 or \$50
Mail Order Copay	2x Retail	2x Retail

## Sharp POS Plan

MEDICAL PLANS	Plan Option Sharp OAMC POS 2000 (NG11L)		
	Tier 1 In	Tier 2 In	Tier 3 Out
Plan/ Network Name	Sharp Choice	Aetna Open Choice PPO	Out-of- Network
Deductible - Individual / Family	\$2,000 / \$4,000	\$2,000 / \$4,000	\$4,000 / \$8,000
Out of Pocket Maximum - Individual / Family	\$5,000 / \$10,000	\$5,000 / \$10,000	\$9,000 / \$18,000
Coinsurance	30%	30%	50%
Medical Services			
Preventive Care Services	No Charge	No Charge	Not Covered
Primary Care Visit	\$25	\$30	50%
Specialist Office Visit	\$30	\$30	50%
Laboratory / Basic X-ray	\$15 / \$25	\$30	50%
Complex Imaging (MRI, CT Scan, etc.)	30%	30%	50%
Inpatient Hospital	30%	30%	50%
Outpatient Hospital Surgery	30%	30%	50%
Emergency Room	30% after Deductible + \$100 Copay		
Urgent Care	\$30	\$30	50%
Mental Health Office Visit (Magellan Network)	\$30	\$30	50%
Chiropractic	\$10 (30 visits combined w/ Acc)		Not Covered
Accupuncture	\$10 (30 visits combined w/ Chiro)		
Prescription Drugs			
Generic / Tier 1	\$10	\$10	Not Covered
Formulary / Tier 2	\$25	\$25	Not Covered
Non-Formulary / Tier 3	\$50	\$50	Not Covered
Specialty / Tier 4	Covered Under Tier 1&2		Not Covered

## Recommendation

That the Committee recommend the Board give authorization to replace Aetna's two HMO plans with Sharp's two medical insurance plans (HMO & POS) and increase the deductible and out of pocket maximum amounts in these plans. Additionally, renew the existing lines of coverage and extend the option with Marsh until February 2026.



Mardeen Mattix  
Deputy Chief Executive Officer & CFO

**Agenda Item 4.C.1**

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

**TO:** Board of Directors

**FROM:** Jeff Gattas, Chairperson

**DATE:** For the Agenda of December 11, 2024

**RE:** Approval of a Resolution of the San Diego Convention Center Corporation, Inc. Finding that the Compensation for the President & CEO is Just and Reasonable; Approving the Sixth Amendment to the Amended and Restated Employment Agreement with the President & CEO; and Authorizing the Chair to Execute the Sixth Amendment

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**BACKGROUND**

After a professional recruitment, in March of 2016, the Board of Directors hired Rip Rippetoe (“Rippetoe”) as the President & CEO of the San Diego Convention Center Corporation (“Corporation”). He began work on April 18, 2016. In June of 2017, the Board approved an Amended and Restated Employment Agreement (“Amended Agreement”) with Rippetoe. In March and June of 2020, the Board approved the First and Second Amendments to the Amended Agreement. In December of 2021, the Board approved the Third Amendment. In August of 2022, the Board approved the Fourth Amendment, and in August of 2024, the Board approved the Fifth Amendment.

**DISCUSSION**

On October 30, 2024, the Board conducted a confidential fairness of compensation review pursuant to the Corporation’s Amended and Restated Bylaws and applicable state laws. The compensation review included 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 Board found that the proposed amendments and compensation in the Sixth Amendment are 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 compensation surveys compiled by independent firms for comparable positions within other comparable agencies.

The proposed amendments to the employment agreement are as follows:

- Effective December 11, 2024, the annual base salary for the position of President & Chief Executive Officer shall be \$405,588.24.
- Section 3(A)(2) “Retention Incentives” of the Amended Agreement (which allows for the annual consideration of an award of a retention incentive stipend to the President & CEO of up to 10% of the then current base salary) shall be deleted in its entirety, removed from the Amended Agreement, and shall no longer have any force and effect for the Amended Agreement.

### RECOMMENDATION

That the Board approve the Resolution to approve the Sixth Amendment.

Attachments:

1. Resolution
2. Proposed Sixth Amendment

## Agenda Item 4.C.1

### RESOLUTION NO. 2024-07

**A RESOLUTION OF THE SAN DIEGO CONVENTION CENTER CORPORATION, INC. FINDING THAT THE COMPENSATION OF THE PRESIDENT AND CEO IS JUST AND REASONABLE, APPROVING THE SIXTH AMENDMENT TO THE AMENDED AND RESTATED EMPLOYMENT AGREEMENT BETWEEN THE CORPORATION AND RIPPETOE, AND AUTHORIZING THE CHAIR TO EXECUTE THE SIXTH AMENDMENT TO AMEND THE TERMS OF EMPLOYMENT AS SPECIFIED HEREIN**

**WHEREAS**, after a professional recruitment, in March of 2016, the Board of Directors hired Rip Rippetoe (“Rippetoe”) as the President & CEO of the San Diego Convention Center Corporation (“Corporation”). He began work on April 18, 2016 pursuant to an employment agreement; and

**WHEREAS**, the Corporation and Rippetoe entered into an Amended and Restated Employment Agreement on June 21, 2017 (“Amended Agreement”) and the First, Second, Third, Fourth, and Fifth Amendments to the Amended Agreement thereafter; and

**WHEREAS**, the parties now wish to amend the Amended Agreement only as to the specific terms shown below.

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

**Section 1.** The Board 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 President & CEO on October 30, 2024 and has found that the proposed amendments and compensation in the Sixth Amendment are 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 compensation surveys compiled by independent firms for comparable positions within other comparable agencies.

**Section 2.** The Board hereby approves and authorizes the Chair of the Board to execute the Sixth Amendment to the Amended and Restated Employment Agreement for the President & CEO, Rip Rippetoe, with the following amended terms:

- Effective December 11, 2024, the annual base salary for the position of President & Chief Executive Officer shall be \$405,588.24.
- Section 3(A)(2) “Retention Incentives” of the Amended Agreement (which allows for the annual consideration of an award of a retention incentive stipend to the President & CEO of up to 10% of the then current base salary) shall be deleted in its entirety, removed from the Amended Agreement, and shall no longer have any force and effect for the Amended Agreement.

### Agenda Item 4.C.1

- Except as specified above, all other terms of the existing Amended Agreement and any applicable amendments will remain the same.

**Section 3.** This resolution shall become effective immediately upon adoption.

**PASSED, APPROVED and ADOPTED** this 11<sup>th</sup> day of December 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

Agenda Item 4.C.1

**SIXTH AMENDMENT TO AMENDED AND RESTATED  
EMPLOYMENT AGREEMENT**

**between**

**The San Diego Convention Center Corporation  
and  
Clifford Rippetoe**

This Sixth Amendment to Amended and Restated Employment Agreement ("Sixth Amendment") is entered into this 11th day of December, 2024 (hereinafter "Effective Date"), by and between the San Diego Convention Center Corporation, California, a California nonprofit public benefit corporation (hereinafter "Corporation") and Clifford Rippetoe, an individual (hereinafter "Officer") (Corporation and Officer referred to collectively as "Parties") with respect to the employment of Officer as the President and Chief Executive Officer of the Corporation.

**RECITALS**

**WHEREAS**, on March 16, 2016, the Corporation and Officer entered into the Employment Agreement and thereafter on June 21, 2017, entered into the Amended and Restated Employment Agreement ("Amended Agreement");

**WHEREAS**, the Corporations Bylaws provide for fairness of compensation reviews for officers, and the Board conducted such a fairness review on October 30, 2024 and determined that the proposed amendments as stated herein are 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 compensation surveys compiled by independent firms for comparable positions within other comparable agencies;

**WHEREAS**, the Parties now desire to make the following amendments to the Amended Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained, the parties agree as follows:

**Section 1.** Section 2 of the Fifth Amendment and Section 3 of the Third Amendment are specifically superseded and replaced by this Sixth Amendment.

**Section 2.** Section 3(A)(1)(a) of the Amended Agreement shall be amended in its entirety and replaced with the following text (underlined text and ~~striktethrough~~ text represent the changes from the text in the Fifth Amendment):

- (a) Effective December 11, 2024, the annual base salary for the position of President and Chief Executive Officer shall be \$405,588.24. Beginning July 1, 2024, the annual base salary for the position of President and Chief Executive Officer shall be \$368,716.58. Thereafter, the annual base salary for the position of President and Chief Executive Officer may be increased at the discretion of the Board provided, however, that without any further

#### Agenda Item 4.C.1

action of the Board, the annual base salary shall increase automatically each year as described below effective July 1 of the applicable year for 2025 and 2026: in an amount equal to the most recent annual cost of living adjustment where "Cost-of-Living" is the California Consumer Price Index for Urban Wage Earners and Clerical Workers as calculated by the Department of Industrial Relations or in the amount of 3%, whichever is less.

**Section 3.** Section 3(A)(2) "Retention Incentives" of the Amended Agreement which was further amended by Section 3 of the Third Amendment shall be deleted in its entirety, removed from the Amended Agreement, and shall no longer have any force and effect for the Amended Agreement.

~~Each year Officer may be eligible for a one time retention incentive in the amount of up to 10% of Officer's then current base salary if the Officer performs satisfactorily and achieves such goals and performance metrics as are determined by the Board. The retention incentive may be awarded in the form on a one time cash payment or additional contributions to Officer's retirement accounts as may be directed by the Board. The retention incentive will be given only after the Board has considered and taken specific action to award this incentive after a review of the financial performance of the Corporation at the end of each year based upon the specific standards agreed to between the Board and Officer. The determination of the award and amount of the incentive, including in exceptional circumstances whether an award may be in excess of 10% of the Officer's then current base salary, will be based solely on the Board's absolute discretion taking into account all reasonable criteria.~~

**Section 4.** Except as stated herein, all other terms of the Amended Agreement, First Amendment, Second Amendment, Third Amendment, Fourth Amendment, and Fifth Amendment shall remain in full force in effect.



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**Section 5.** The amendments above shall be effective immediately.

IN WITNESS WHEREOF the Parties have executed this Sixth Amendment as of the day and year first above written.

CORPORATION

OFFICER

By: \_\_\_\_\_  
Jeff Gattas, Chairperson

By: \_\_\_\_\_  
Clifford "Rip" Rippetoe

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Jennifer M. Lyon, General Counsel

**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: Jeff Gattas, Nominating Committee Chair**  
**DATE: For the Agenda of December 11, 2024**  
**RE: Election of Officers**

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**BACKGROUND**

The Nominating Committee of the Board of Directors of the San Diego Convention Center Corporation (“SDCCC”) has selected a proposed slate of Officers to serve on the SDCCC Board for 2025.

**DISCUSSION**

The Nominating Committee of the Board of Directors, consisting of Chair Jeff Gattas and Directors Sam Nejabat and Gretchen Newsom, met on October 30, 2024. After deliberations, the Committee submitted following slate of officers for consideration for 2025 San Diego Convention Center Board service:

Chair - Shawn VanDiver  
Vice - Chair – Will Rodriguez-Kennedy  
Treasurer – Alyssa Turowski  
Secretary – Gretchen Newsom

**RECOMMENDATION**

It is recommended that the Board approve the slate of officers as set forth hereinabove.

\_\_\_\_\_/s/\_\_\_\_\_  
Jeff Gattas  
Nominating Committee Chair



## 2025 SAN DIEGO CONVENTION CENTER CORPORATION COMMITTEE APPOINTMENTS/LIAISONS

### AUDIT

(QUARTERLY MEETINGS / OR AS  
NEEDED)

*Oversees the external audit, financial internal controls and policies, risk management, whistleblower and other HR policy/handbook matters.*

Will Rodriguez-Kennedy – Chair

Jeff Gattas

Sam Nejabat

Staff Liaison: Deputy CEO/Controller

### EXECUTIVE COMMITTEE (MONTHLY MEETINGS SCHEDULED TENTATIVELY)

Shawn VanDiver -Chair

Will Rodriguez-Kennedy, Vice Chair

Alyssa Turowski, Treasurer

Gretchen Newsom, Secretary

Staff Liaison: CEO and Deputy CEO

### BUDGET (MONTHLY MEETINGS)

*Reviews and approves the Corporation's Budget and financial performance, including capital projects.*

Alyssa Turowski – Chair

Jaymie Bradford (or replacement)

Gretchen Newsom

Staff Liaison: Deputy CEO/COO

### SALES, MARKETING & EVENTS COMMITTEE

(7 MEETINGS A YEAR)

*Review strategies for Convention Center sales and marketing and annual contract compliance as well as event performance.*

Gretchen Newsom - Chair

Alyssa Turowski

Will Rodriguez-Kennedy

Staff Liaison: Deputy CEO/EVP Sales & Marketing

### RETIREMENT COMMITTEE (QUARTERLY MEETINGS)

*Review the Plan's investment policy, performance, and fiduciary responsibilities.*

Jaymie Bradford (or replacement)

Staff Liaison: Deputy CEO/Controller