

## **Agenda Item 3.A**

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

#### **BOARD MEETING OF APRIL 27, 2021** **Via Teleconference**

<b>BOARD MEMBERS PRESENT:</b>	Chair Elvin Lai and Directors Carol Kim, Allan Farwell, Carlos Cota, Jeff Gattas, Shawn VanDiver and Jaymie Bradford
<b>BOARD MEMBER(S) ABSENT:</b>	
<b>STAFF PRESENT:</b>	Rip Rippetoe, Mardeen Mattix, Andy Mikschl, Kelly Revell and Pat Evans (Recorder)
<b>ALSO PRESENT:</b>	Jennifer Lyon, General Counsel, Julie Coker, SDTA President & CEO

\*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 Elvin Lai called the Board Meeting to order at 12:04 p.m. in the Executive Boardroom of the San Diego Convention Center Corporation, 111 West Harbor Drive, San Diego, CA 92101. Chair Lai then called roll to determine which Directors were present on the teleconference:

Director Lai – Present  
Director Kim – Present  
Director Farwell – Present  
Director Cota – Present  
Director Gattas – Absent  
Director VanDiver – Present  
Director Bradford – Present

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

#### **2. Non-Agenda Public Comment – None**

Director Gattas joined the meeting at 12:07 p.m.

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

**Consent Agenda:**

**A. Approval of Minutes of Board Meetings of March 23, 2021.**

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

Director Lai – Aye  
Director Kim – Aye  
Director Farwell – Aye  
Director Cota – Aye  
Director Gattas – Aye  
Director VanDiver – Aye  
Director Bradford – Aye

**Vote: Unanimous**

**AYES: 7**

**NAYS: 0**

**ABSTENTIONS: 0**

**Action Item(s):**

**B. Budget Committee (Allan Farwell)** – CFO Mattix reported that the March financials were forwarded to the Board. All budget items are tracking as expected based on the budget that was approved in March.

Since last month, the Shelter-to-Home operation has been demobilized and SDCCC has welcomed the Emergency Intake Services for unaccompanied minors (“Operation Artemis”). Finance staff will now have to revise the budget that was approved last month. Staff anticipates bringing the revised budget to the Board for review/approval at the “Special” Board meeting in May because Operation Artemis is going to generate significant revenue that will impact the reserves.

Staff no longer anticipates having a \$4 million reserve balance at the end of the fiscal year. Staff believes the reserves balance will be replenished to the pre-pandemic level.

Staff successfully budgeted to the income that was derived from the Shelter-to-Home operation. Some of the capital repair items that had been deferred until after the Shelter-to-Home operation was completed must be further delayed due to the fact that Operation Artemis is a 24-7 endeavor that does not allow time for repairs.

In order to successfully support Operation Artemis, the SDCCC team is performing cleaning services and operating the Command Center, essentially the same tasks performed with the Shelter-to-Home operation, but on a larger scale. SDCCC has also begun recalling staff in order to successfully support Operation Artemis’ operational needs. Although Staff anticipates that employees recalled to support this operation will be retained after Operation Artemis is demobilized and regular business starts to resume after July, Staff is still budgeting and staffing to meet needs.

Director Farwell stated that the Corporation is pleased to be able to help with the Operation Artemis project and to support federal and City agencies. The financial impact is also a positive benefit to the Corporation's reserve situation.

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

**Directors VanDiver and Bradford moved and seconded, respectively, to approve the March Financial Reports from Chief Financial Officer**

Director Lai – Aye  
Director Kim – Aye  
Director Farwell – Aye  
Director Cota – Aye  
Director Gattas – Aye  
Director VanDiver – Aye  
Director Bradford – Aye

**Vote: Unanimous**

**AYES: 7**

**NAYS: 0**

**ABSTENTIONS: 0**

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

Director Farwell provided an overview of the insurance review process. Director Farwell then introduced finance team members and Marsh & McLennan representatives who provided an in depth analysis of current insurance coverage and premium costs.

**Directors Farwell and Cota moved and seconded, respectively, to Authorize Placement of Property, General and Umbrella Liability, Workers' Compensation and Directors & Officers Insurance Through the Brokerage Services of Marsh & McLennan Agency**

Director Lai – Aye  
Director Kim – Aye  
Director Farwell – Aye  
Director Cota - Aye  
Director Gattas – Aye  
Director VanDiver – Aye  
Director Bradford – Aye

**Vote: Unanimous**

**AYES: 7**

**NAYS: 0**

**ABSTENTIONS: 0**

Director Cota thanked the Finance Department staff for their resiliency in being able to pivot in the face of the numerous revisions to the budget this year.

### **(3) Authorization to Amend Contract with Uniform Provider**

**Directors Allan and Kim moved and seconded, respectively, to Authorize Amending Contract with Uniform Provider, Specialty Apparel.**

**Director Lai – Aye**  
**Director Kim – Aye**  
**Director Farwell – Aye**  
**Director Cota - Aye**  
**Director Gattas – Aye**  
**Director VanDiver – Aye**  
**Director Bradford – Aye**

**Vote: Unanimous**

**AYES: 7**

**NAYS: 0**

**ABSTENTIONS: 0**

### **C. Sales & Marketing Committee (Jeff Gattas) – Director Gattas reported:**

- Mr. Mikschl reported that there is limited booking activity at this time. There was only one new booking for the month of March; however, things are picking up in terms of placing small corporate events around larger events later this year and early next year. There is more lead activity and repeat clients are looking to rebook their smaller local annual events. Staff anticipates that the last portion of the calendar year will be busy from a booking standpoint.
- Ms. Coker reported that her team is focusing on the good news relating to the “California re-opening” date of June 15<sup>th</sup> at which time the industry will be able to focus booking larger events. Events of under 5,000 guests will have no restrictions in terms of vaccination requirements or testing and events of over 5,000 guests will have vaccination and testing requirements. October 1, 2021 is the date when all requirements loosen up and there will be no requirements in terms of vaccination records or tests.
- There were several groups in third and fourth quarter that needed guidelines so they could start planning their meetings effectively and it is helpful that the State has put out clear and concise guidelines.
- SDTA’s total room nights for March is 263,000 room nights – much less than in past years, but still a respectable effort given the circumstances of this year.
- Ms. Coker also discussed events that have proposed booked dates for future years. She further noted that client interest is showing that face-to-face meetings are still very relevant.
- The SDTA team has done over 50 zoom meeting calls with customers. There have also been 9 virtual site visits with one or two in-person sites scheduled for May. The SDTA team is also in the process solidifying attendance for third and fourth quarter events and rebuilding the “funnel” for future event years.
- SDTA held a Town Hall on Monday that had 182 participants, 137 of which were customers, who were interested in what is happening in San Diego.

- Mr. Mikschl also provided an update regarding the status of the “Program of Work.” He indicated that the final draft of the document will be reviewed by the Sales and Marketing Committee in May and forwarded to the full Board for approval in May.
- In response to Chair Lai’s inquiry regarding the Center reaching out to local entities to advise that the Center is “open for business,” Mr. Mikschl noted that staff will pursue that outreach.

**4. Chair’s Report (Chair Elvin Lai): Chair Lai reported:**

- Chair Lai noted that Kelly Revell, Finance and Risk Management Director, will be leaving the Corporation in July and he thanked Mr. Revell for spear-heading this year’s complex insurance renewal process and for his service to the Corporation.
- Chair Lai also thanked Marc LaHay, Director of Operations, for his service to the Corporation.
- Congratulations to the Board for completing submission of their Form 700 Conflict of Interest Forms in a timely manner.
- Upon reopening, Staff is exploring the possibility of continuing with optional virtual Board/Committee meetings. Once Staff has reviewed our options with our General Counsel, we will continue discussion of this matter.
- The next Board meeting is a “Special” Board Meeting, scheduled for May 25, 2021, to approve the Sales & Marketing “Program of Work.”

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

- The State has provided the following guidance regarding reopening:
  - June 15 through October 1, 2021 – Limitations for meetings: For under 5,000 guests there are no requirements to be tested or vaccinated (or to provide proof of testing or vaccination)
  - That number does not include labor working on the shows of Convention Center staff
  - After October 1, 2021, there are no limitations
- Staff has asked for a meeting to clarify mask requirements for ticketed consumer shows (Auto show, Quilt Show, etc.). The Corporation’s FAQs and website will be updated to reflect the Corporation is following CDC and Cal-OSHA recommended safety guidelines.
- The emergency intake site will be closed by July 15, 2021. The Center site was intended to be a temporary site and the federal oversight agency is looking for permanent sites.
- The Strategic Planning Ad Hoc Committee has met and provided input to Staff. Staff will be bringing the Strategic Plan back to the Board for approval once it has been finalized. Staff is still working on the re-opening imperative and awaiting further guidelines from the State.
- Dr. Lou Gilleran of the San Diego County Health Department has worked at the Center for the past 14 months with both the Shelter-to-Home and unaccompanied minor operations. His last day on site was this week. Many thanks to Dr. Gilleran and the San Diego County Health Department for the invaluable services he performed working with the SDCCC team as well as the City and federal agencies.
- H.R. team members are on site everyday providing resources and training videos to our staff we go through the recall process.
- The ERP conversion process is still in process and is going well.

- The facility condition assessment is contracted and moving forward; however, the on-site inspection portion is delayed due to the emergency intake operation. The inspection process will resume in late July or early August.
  - The roof planning solicitation that was issued in February to seek potential bidders is being revised due to a low response from bidders. This item will be brought back to the Board in early fall. Staff anticipates that project will begin in late spring of next year.
  - Regarding business development, Staff is working with Digital Conventions to finish the next phase of their signage installation.
  - The Operations team is continuing to develop safety protocols to keep up with CDC and Cal-OSHA requirements so staff will be able to support clients once events resume.
  - Repairs to Lobby “C” restrooms are beginning and additional restroom repairs are being planned.
  - The first Center event is scheduled to commence on July 30<sup>th</sup> and staff has a fifteen day window between Operation Artemis demobilization and the event move-in date to complete essential repairs to the portion of the building that will be used for that show. Other repairs will be completed in between upcoming events.
  - Centerplate served over 1.2 million meals in supporting Operation Shelter-to-Home.
  - The Governmental Affairs staff have been assisting our federal partners by conducting tours of the emergency intake site.
  - Staff representatives (CEO and CFO) will be presenting to the City Council Budget Committee on May 11, 2021.
  - Mr. Rippetoe also acknowledged and thanked the leadership team for all of their hard work.
6. **Board Comment [Govt. Code § 54954.2(a)(2)]** – Director VanDiver stated that he is impressed by the work that Staff and the executive team have done in support of the Operation Shelter-to-Home and Operation Artemis. The entire team worked very collaboratively with Dr. Lou and the County to show the world that San Diego County knows what it means to help people that are in dire need, whether they are our homeless neighbors, or they are our guests from elsewhere, the Center has made such a massive impact on the lives of the folks who have been allowed to call the Convention Center home. Director VanDiver thanked the staff and the Center’s partners for supporting these events. Director VanDiver also congratulated Mr. Rippetoe on his five years of service to the Corporation.

There being no further business, the meeting adjourned at 12:58 p.m.

I, Carlos Cota, Secretary of the Board of Directors of the San Diego Convention Center Corporation, Inc., do hereby certify that the foregoing is a true and correct copy of the minutes of the business transacted by the Board of Directors of the San Diego Convention Center Corporation, Inc., at a duly noticed meeting held on April 27, 2021 and that said minutes were approved by the Board of Directors on May 25, 2021.

*[Approved at Board Meeting of May 25, 2021]*  
Carlos Cota, Secretary