

Agenda Item 3.A

MINUTES*
SAN DIEGO CONVENTION CENTER CORPORATION
THE BOARD OF DIRECTORS

BOARD MEETING OF MARCH 26, 2020
Via Teleconference

BOARD MEMBERS PRESENT:	Chair Jaymie Bradford and Directors, Elvin Lai, Carol Kim, Allan Farwell, Carlos Cota and Xema Jacobson
BOARD MEMBER(S) ABSENT:	Director Jeff Gattas
STAFF PRESENT:	Rip Rippetoe, Mardeen Mattix, Corey Albright and Pat Evans (Recorder)
ALSO PRESENT:	Jennifer Lyon, General Counsel

*Audio copies of Board of Director meetings are available upon request. Please contact Pat Evans at (619)525-5131 or pat.evans@visitsandiego.com to request a copy.

1. Call to Order

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

Chair Bradford – Present
Director Lai – Present
Director Kim – Present
Director Farwell – Present
Director Cota – Present
Director Gattas – Absent
Director Jacobson - Present

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

2. Non-Agenda Public Comment – None

3. Board Committee Reports and Board Action Items:

Consent Agenda:

A. Approval of Minutes of Board Meeting of February 27, 2020

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

**Chair Bradford – Aye
Director Lai – Aye
Director Kim – Aye
Director Farwell – Aye
Director Cota – Aye
Director Gattas – Absent
Director Jacobson - Aye**

Vote: Unanimous

AYES: 6 NAYS: 0 ABSTENTIONS: 0

Action Item(s):

B. Acceptance of January and February Financial Reports from Chief Financial Officer

Directors Farwell and Jacobson moved and seconded, respectively, to accept the January and February Financial Reports from Chief Financial Officer

**Chair Bradford – Aye
Director Lai – Aye
Director Kim – Aye
Director Farwell – Aye
Director Cota – Aye
Director Gattas – Absent
Director Jacobson - Aye**

Vote: Unanimous

AYES: 6 NAYS: 0 ABSTENTIONS: 0

C. Executive Committee (Carol Kim)

(1) Authorization to Approve Fiscal Year 2021 Budget

Directors Kim and Cota moved and seconded, respectively, to Approve Fiscal Year 2021 Budget.

**Chair Bradford – Aye
Director Lai – Aye
Director Kim – Aye
Director Farwell – Aye
Director Cota – Aye
Director Gattas – Absent**

Director Jacobson - Aye

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

(2) Authorization to Approve 10-Year CIP/Infrastructure and O&M Projections – FY 2021-2030

Directors Kim and Lai moved and seconded, respectively, to approve 10-Year CIP/Infrastructure and O&M Projections – FY 2021-2030.

**Chair Bradford – Aye
Director Lai – Aye
Director Kim – Aye
Director Farwell – Aye
Director Cota – Aye
Director Gattas – Absent
Director Jacobson - Aye**

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

(3) Authorization to Purchase Security Surveillance Video Servers

Directors Lai and Kim moved and seconded, respectively, to authorize the Board to approve the Purchase of four Lenovo Servers and twelve hours of installation labor from American Security Group at a cost of \$86,252.69.

**Chair Bradford – Aye
Director Lai – Aye
Director Kim – Aye
Director Farwell – Aye
Director Cota – Aye
Director Gattas – Absent
Director Jacobson - Aye**

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

D. Sales & Marketing (Allan Farwell)

Director Farwell requested a sales update from Andy Mikschl, Chief Sales & Revenue Officer. Mr. Mikschl provided an overview of the book of business and cancellation status of events:

- To date, twenty-one events have cancelled.
- Eleven events have rescheduled to alternate dates later in this year or earlier into next year.

- The events that have cancelled represent approximately 100,000 room nights.
- There are several events in May that have not cancelled but staff anticipate those cancellations will occur within the next week once the shelter-at-home order is extended.
- Some smaller events are increasing the size of their events when rescheduling, so that may offset some of the losses.
- Every building across the country is experiencing a similar situation as San Diego as facilities are being converted to shelters or medical triage centers.
- As of this date, it appears that Comic-Con is still scheduled to move forward.

(1) Authorization to Accept San Diego Tourism Authority “Program of Work”

(2) Authorization to Pay San Diego Tourism Authority Contractually Mandated Fees for Sales & Marketing Services.

Based on the current circumstances and the likelihood of revisions to the Program of Work and budget, Mr. Rippetoe requested that discussion regarding this item be deferred until the June Board meeting.

Directors Farwell and Jacobson moved and seconded, respectively, to defer discussion on items D(1) and D(2) until the June Board meeting.

Chair Bradford – Aye
Director Lai – Aye
Director Kim – Aye
Director Farwell – Aye
Director Cota – Aye
Director Gattas – Absent
Director Jacobson - Aye

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

4. Chair’s Report (Chair Jaymie Bradford):

- Chair Bradford reminded Directors to submit their Form 700s prior to April 1, 2020.
- Chair Bradford thanked CFO Mattix and her staff for their tireless efforts regarding the compilation of the 2021 Budget.
- Chair Bradford also thanked Mr. Rippetoe and the staff from quickly acting on the City’s request to convert space in the Center into a shelter.

5. President’s Report (Rip Rippetoe) – Mr. Rippetoe provided an overview of how staff and operations are functioning in the midst of the shelter-in-place order and the shelter conversion and he thanked staff for their professionalism and perseverance during these extraordinary times.

6. **Board Comment [Govt. Code § 54954.2(a)(2)]** – Director Farwell commended Mr. Rippetoe staff for their leadership and outreach during this period.
7. **Closed Session Cont.:** The Board entered into closed session at 1:13 p.m. to discuss:
 - A. **CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION**
Pursuant to Govt. Code Section 54956.9(d)(1) (3 cases)
Case No. 37-2018-00060167-CU-BC-CTL
Case No. 37-2020-00008163-CU-OE-CTL
Case No. 37-2020-00008111-CU-WT-CTL
 - B. **EMPLOYEE PERFORMANCE EVALUATION**
Government Code Section 54957
Title: President & CEO

The Board returned to open session at 1:34 p.m.

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

8. **Additional Board Action Item:**
 - A. **Resolution of the San Diego Convention Center Corporation, Inc. Finding that the Compensation of the President & CEO is Just and Reasonable and Authorizing the Chair to Execute the Second Amended and Restated Employment Agreement Between the Corporation and Rippetoe to Amend the Terms of Employment as Specified Herein**

Director Jacobson reported that no Resolution would be submitted for approval.

In lieu of submitting a Resolution, Directors Jacobson and Farwell moved and seconded, respectively, to amend President & CEO Rippetoe’s contract as follows:

1. **President & CEO’s employment agreement shall be amended to reflect an expiration date of June 30, 2027;**
2. **President & CEO’s salary shall be reduced commensurate with any general Corporation-wide salary reduction in pay among management employees up to a maximum of a 20% salary reduction to be taken first from the retention incentive and the remainder from his base salary;**
3. **All other compensation terms through June 30, 2027 will be subject to negotiation and a future amendment to be considered in approximately three months; and**
4. **All other terms of the existing agreement will remain the same.**

Chair Bradford – Aye
Director Lai – Aye

Director Kim –Aye
Director Farwell – Aye
Director Cota – Aye
Director Gattas – Absent
Director Jacobson - Aye

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

There being no further business, the meeting adjourned at 1:38 p.m.

CERTIFICATION

I, Allan Farwell, Secretary of the Board of Directors of the San Diego Convention Center Corporation, Inc., do hereby certify that the foregoing is a true and correct copy of the minutes of the business transacted by the Board of Directors of the San Diego Convention Center Corporation, Inc., at a duly noticed meeting held on March 24, 2020 and that said minutes were approved by the Board of Directors on, April 20, 2020.

[Minutes approved at April 20, 2020 Board Meeting]

Allan Farwell, Secretary