

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

**TUESDAY, DECEMBER 3, 2019, 12:00 P.M.
111 W. Harbor Drive, 2nd Floor, Executive Boardroom
San Diego, California 92101**

AGENDA

- 1. Call to Order – Xema Jacobson, 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. Presentations:

A. Employee(s) of the Month:

Renee Jung, Exhibitor Services Supervisor, (November) presented by Donald Bottger, Director of Facility Services

B. Recognition of Employee Service:

Bob Ross, Director of Building Operations

C. Director Recognition:

Gil Cabrera, Board Director

4. Board Committee Reports and Board Action Items

Consent Agenda:

- A. Approval of Minutes of Board Meeting of October 22, 2019 and the *Special* Board Meeting of November 12, 2019**
- B. Acceptance of October 2019 Financial Reports From Chief Financial Officer**

Action Item(s):

C. Executive Committee (Xema Jacobson)

(1) Authorization to Endorse Letter of Support for Gaslamp Promenade Project

D. Budget Committee (Elvin Lai)

E. Nominating Committee (Xema Jacobson)

(1) Election of 2020 Board Officers

(2) Ratification of Committee Assignments

- 5. Chair's Report (Chair Xema Jacobson)**
- 6. General Counsel Report (Jennifer Lyon)**
- 7. President's Report (Rip Rippetoe)**
- 8. Board Comment [Govt. Code § 54954.2(a)(2)]**

Adjournment

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In compliance with Government Code section 54957.5, non-exempt written material that is distributed to the Board prior to the meeting will be available at the meeting or it may be viewed in advance of the meeting at the corporation's offices at 111 West Harbor Drive, San Diego, CA. Materials distributed to the board after the posting of this agenda also will be available. Please contact Pat Evans at (619)525-5131 or pat.evans@visitsandiego.com if you would like to pick up a copy of any material related to an item on this agenda.

Action items on this agenda may be consolidated for voting purposes into a single vote of the Board, to the extent they are routine or otherwise do not require further deliberation. A Board member may comment on an action item before it is voted upon as part of the consolidated vote; however, if a Board member wishes to discuss an action item, that item will not be included in the consolidated vote. If a member of the public wishes to comment upon an action item, they should so advise the Board chair at or before the public comment portion of the meeting, in which case that item will not be included in any consolidated vote.

Agenda Item 4.A

MINUTES*
SAN DIEGO CONVENTION CENTER CORPORATION
THE BOARD OF DIRECTORS

BOARD MEETING OF OCTOBER 22, 2019

BOARD MEMBERS PRESENT:	Chair Xema Jacobson and Directors Jaymie Bradford, Gil Cabrera, Elvin Lai, Carol Kim, Carlos Cota and Allan Farwell
BOARD MEMBER(S) ABSENT:	
STAFF PRESENT:	Rip Rippetoe Karen Totaro, Mardeen Mattix, Terry Kurtenbach, Rita de la Fuente, Corey Albright, Kirstin Olsen, DeeAnne Snyder, Bobby Ramirez, Im Yeav and Pat Evans (Recorder)
ALSO PRESENT:	Steve Boehmer, General Counsel

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1. **Call to Order**

Chair Xema Jacobson called the Board Meeting to order at 12:01 p.m. in the Executive Boardroom of the San Diego Convention Center Corporation, 111 West Harbor Drive, San Diego, CA 92101. All Directors were present.

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

3. **Presentations:**

A. **Employee(s) of the Month:**

Stephanie Pacheco, Supervisor-Administrative Support (September) was presented by Deanne Snyder, Director of Event Services

Doug Meyers, Grounds Worker (October) was presented by Donald Bottger, Director of Facility Services

4. **Board Committee Reports and Board Action Items**

Consent Agenda:

A. **Approval of Minutes of Board Meeting of September 24, 2019**

B. Acceptance of August, 2019 Financial Reports From Chief Financial Officer

Directors Lai and Cota moved and seconded, respectively, to approve the consent Agenda set forth hereinabove. **Vote: Unanimous**

AYES: 7 NAYS: 0 ABSTENTIONS: 0

Action Item(s):

C. Budget Committee (Elvin Lai)

(1) Authorization to Approve Contract Award for Painting Services

Directors Lai and Farwell moved and seconded, respectively, to approve an award of a Contract for Painting Services to CertaPro Painters of North San Diego. The contact value is \$297,962.40 and the award includes a revision to the contingency amount from fifteen percent (\$44,694.36) to twenty-five percent (\$74,490.60). The total not-to-exceed value of the contract is \$372,453.00. **Vote: Unanimous**

AYES: 7 NAYS: 0 ABSTENTIONS: 0

D. Audit Committee (Carol Kim)

(1) Authorization to Accept Audited Annual Financial Report for the Fiscal Year Ended June 30, 2019.

Directors Kim and Cabrera moved and seconded, respectively, to accept the Audited Annual Financial Report for the Fiscal Year Ended June 30, 2019. **Vote: Unanimous**

AYES: 7 NAYS: 0 ABSTENTIONS: 0

Ms. Mattix thanked Mr. Starkey for his years of service as the Corporation's Audit Partner.

E. Sales & Marketing Committee (Jaymie Bradford)

Ms. Bradford reported the following:

- The short-term team booked seven events for the month of September which generated revenue of \$130,000. Year-to-date, the team has booked 25 events which generated revenue of approximately \$500,000. The team has approximately \$300,000 of revenue booked for the month of October and an additional \$1.5 million in prospective business that can be booked over the next several months.
- Ms. Bradford also noted the Committee discussed inquiries the Center received regarding cannabis-related events.
- The long-term sales team is behind pace for the year, but has made progress in replenishing their potential client list. The team also has many strong repeat events pending.

- Ms. Bradford noted that the occupancy numbers for the Center for F.Y. 2019 are 79.3%. Industry standards consider a facility to be at full occupancy at when their occupancy numbers reach 60%. The center's Exhibit Hall occupancy rate is 83.2%.
- Mr. Rippetoe reported that industry expert, Michael Hughes, will provide an overall state-of-the-industry presentation at the upcoming Board Retreat.
- Mr. Rippetoe also reported on a trend that indicates center technology revenue will decrease due to exhibitor access to upgraded Wi-Fi technology.
- Shawn Lowry, General Manager of Smart City, will be leaving the center. He has been promoted to the Smart City Corporate Offices in Las Vegas. Mr. Lowry briefly discussed price erosion in technology services throughout the convention center industry.

5. **Chair's Report:**

- Chair Jacobson and Director Farwell are still working to finalize the criteria for the review of the President & CEO. This issue will be discussed in closed session at the Board retreat in November and brought to the full Board for consideration at the December Board meeting.
- Chair Jacobson attended a "Coherent Governance" conference on October 3, 2019.
- Chair Jacobson also attended the San Diego Downtown Partnership Alonzo Awards dinner.

6. **General Counsel Report** – Mr. Boehmer reported that Ms. Lyon is recuperating and will be attending the next Board meeting.

7. **President's Report** – Mr. Rippetoe reported:

- Mr. Rippetoe noted that based on the audited financials for F.Y. 2019, the Center achieved record regional impact figures, record net operating reserves and the hotel and sales tax revenue to the City is the second highest figure on record.
- The Digital Convention video screens are very popular with clients. Early discussions regarding Phase II installation of additional equipment have commenced. Negotiations will include an increase in commissions.
- The 30th Anniversary luncheon is scheduled for Thursday. The Communications team has done an excellent job coordinating the event. The focus of the event will celebrate the contributions of our past and present team members and thirty years of success.

8. **Board Comment [Govt. Code § 54954.2(a)(2)]:** None

9. **Closed Session:** The Board entered into closed session at 12:38 p.m. to discuss:

- A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**
Government Code Section 54956.9(d)(1)--(1 case)
Case No. 37-2018-00060167-CU-BC-CTL

The Board returned to open session at 1:00 p.m.

Reporting out of closed session, General Counsel Steve Boehmer stated that the Board discussed item A. Direction was given but no reportable action was taken.

There being no further business, the meeting adjourned at 1:03 p.m.

CERTIFICATION

I, Carol Kim, 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 22, 2019 and that said minutes were approved by the Board of Directors on December 3, 2019.

Carol Kim, Secretary

DRAFT

Agenda Item 4.A

MINUTES*
SAN DIEGO CONVENTION CENTER CORPORATION
THE BOARD OF DIRECTORS

SPECIAL BOARD MEETING OF NOVEMBER 12, 2019

BOARD MEMBERS PRESENT:	Chair Xema Jacobson and Directors Jaymie Bradford, Gil Cabrera, Elvin Lai, Carol Kim, Carlos Cota and Allan Farwell
BOARD MEMBER(S) ABSENT:	
STAFF PRESENT:	Rip Rippetoe, Karen Totaro, Mardeen Mattix, Andy Mikschl, Rita de la Fuente, and Pat Evans (Recorder)
ALSO PRESENT:	Jennifer Lyon, General Counsel

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1. **Call to Order**

Chair Jacobson called the Special Board Meeting to order at 8:38 a.m. in Temecula Rooms 3-4 of the Marriott Marquis Hotel & Marina, 333 West Harbor Drive, San Diego, CA 92101. All Directors were present.

2. **Non-Agenda Public Comments:** – None

3. **Compensation Study Update:** Terry Kurtenbach, Director of Human Resources, provided an overview of the compensation study commissioned by the Corporation and she reviewed strategy and criteria. She also discussed how the results of the study would be implemented upon completion of the study.

4. **Closed Session:** The Board entered into closed session at 8:55 a.m. to discuss:

A. EMPLOYEE PERFORMANCE EVALUATION
Government Code Section 54957
Title: President & CEO

The Board returned to open session at 9:40 a.m.

Reporting out of closed session, General Counsel Lyon stated that the Board discussed item A. Direction was given but no reportable action was taken.

5. Board Retreat

During the Board Retreat, staff and consultants provided presentations and engaged in discussions regarding: City mandated Brown Act review, overview of the state of convention center industry and industry safety and security, the Board's strategic goals and financial reporting updates.

There being no further business, the meeting adjourned at 4:10 p.m.

CERTIFICATION

I, Carol Kim, 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 November 12, 2019, and that said minutes were approved by the Board of Directors on December 3, 2019.

Carol Kim, Secretary



2020 SDCCC COMMITTEE APPOINTMENTS/LIAISONS

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AUDIT (QUARTERLY MEETINGS)
Oversees the external audit, accounting, financial, internal control and risk management processes

- Allan Farwell, Chair
- Xema Jacobson
- New Director
- Staff Liaison: Chief Financial Officer

EXECUTIVE/ BUSINESS DEVELOPMENT (MONTHLY MEETINGS)

- Jaymie Bradford, Chair
- Elvin Lai, Vice Chair
- Carol Kim, Treasurer
- Allan Farwell, Secretary
- Xema Jacobson, Immediate Past Chair
- Staff Liaison: President & CEO

BUDGET (MONTHLY MEETINGS)
Reviews and approves the Corporation's budget

- Carol Kim, Chair
- Elvin Lai
- Carlos Cota
- Jaymie Bradford, Alternate
- Staff Liaison: Chief Financial Officer

SALES, MARKETING (7 MEETINGS/YEAR)
Review strategies for Convention Center sales and marketing

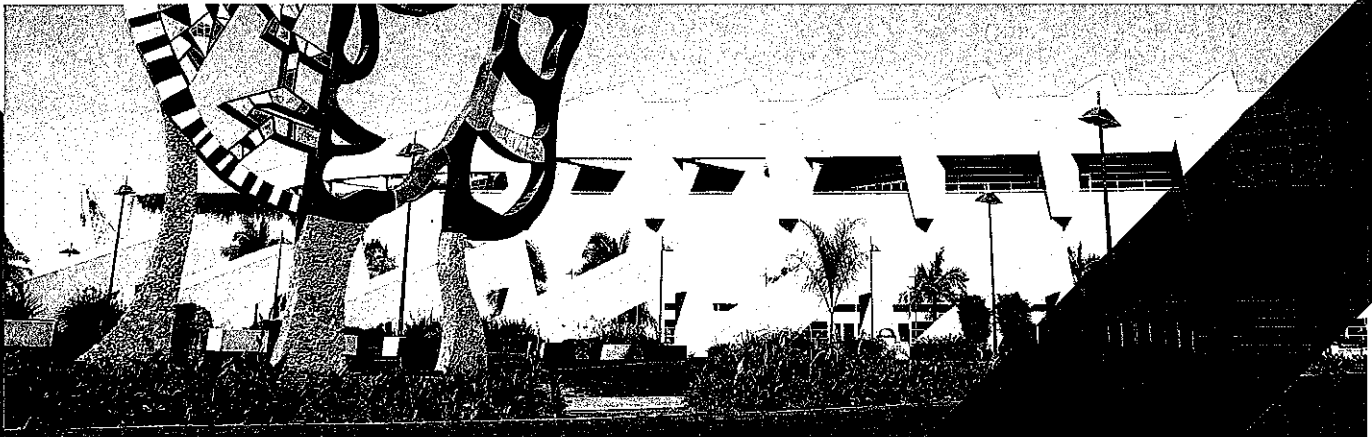
- Elvin Lai, Chair
- Allan Farwell
- New Director
- Staff Liaison: President & CEO

DEFINED CONTRIBUTION COMMITTEE (QUARTERLY MEETINGS)

Board representative on Employee Defined Contribution Committee

- Carlos Cota
- Staff Liaison: Chief Financial Officer

DRAFT



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SAN DIEGO CONVENTION CENTER CORPORATION MEMORANDUM

TO: Board of Directors
FROM: Rip Rippetoe, President & CEO
DATE: December 3, 2019
RE: President & Staff Report

Core Value: **Service – If you are not serving our customer, serve someone who is.**

- Thanks to the Executive Team and Rita De la Fuente for helping to construct the content of this report.

Executive:

- The Business Development function of the Corporation has created guaranteed bottom line revenue of over \$2.7million since July of 2016.
- The Communications Department is continuing its usual quality work. Rita de le Fuente Continues as the Interim Director. The position of Director of Communications was posted recently and received 247 applicants. The field of prospective applicants was been narrowed to three applicants. Final interviews will take place the week of December 9th. We anticipate a new Director to be on board January 1, 2020.
- Procurement will be re-bidding the installation of the fire pump project approved in December 2018. Arrow Automatic contracted to purchase and install a diesel pump but due to contractor limitations, were unable to produce engineering drawings to obtain all necessary permits. The pump is received, air pollution control permit executed but they failed to obtain the City of SD building permit. Procurement and contractor mutually agreed to terminate the contract as of 10/30/19 following legal review.
- Our IS/IT Department is updating and upgrading our CRM System. This system is the backbone of our client interface for orders, tracking and invoicing exhibitor orders. It also tracks our event files. In the coming month we will reach out to key CRM users to help staff validate the features in the upgraded CRM system. This phase of the project is called “User Acceptance Testing” (UAT).

The UAT phase involves some of our expert end-users accessing the new system and validating that they can still perform all the functions of their job. Once we get sign-off from our users, we will feel confident moving forward with training and Going Live. We anticipate the “Go Live” process will be completed by the end of Q1 of calendar year 2020.

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- Below is the schedule for the event management and financial suite RFP. We are targeting approval of the project at the March board meeting:

Event	Date(s)	Time (PST)
Bid Issue	11/12/2019	1:00 p.m.
Deadline for Pre-Bid Inquiries	11/25/2019	5:00 p.m.
Responses to Inquiries Posted	12/9/2019	11:00 a.m.
Proposals Due	12/18/2019	5:00 p.m.
Shortlist Determined	12/31/2019	
Schedule Interviews/Demonstrations	01/02/2020 to 01/14/2020	TBD
Deadline for Post-Interview Inquiries from Shortlist	01/17/2020	5:00 p.m.
Responses to Inquiries Posted	01/24/2020	11:00 a.m.
Final Interview/Demonstration (as needed based on feedback)	02/03/2020 to 02/14/2020	TBD
Notice of Intent to Award (contingent on approvals)	02/21/2020	11:00 a.m.
Budget Committee Approval	Mid-March	TBD
Board of Directors Approval	Late March	TBD
Anticipated Award Date	Late March	TBD

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Business Development:

The following are updates on projects implemented over the past three years and projects currently under development:

- *Digital Conventions*
 - The six show/event specific video walls are fully functional. Digital Conventions has taken enough orders to meet their minimum contractual revenue requirements. We project over \$200,000 in commissions for this fiscal year. This figure is more than twice of our current contractual minimum for this fiscal year. Early projections for FY 21 forecasts our commission amount to at approximately to \$400,000. This is a very successful program.
 - The two concierge-area Adwalls (advertising displays installed in our visitor centers) are slated for completion in January 2020. These displays provide information and represent additional value to our current advertisers in our meeting planner guide.
 - We have negotiated Phase 2 locations for additional signage with Digital Solutions and we continue to negotiate the terms of a new agreement to reflect the new inventory. The proposed contract terms will be submitted for Board consideration soon.
 - Guaranteed revenue for Phase I is \$900,000 over 5 years, however, we are on pace to achieve \$2 million during that period. Upon completion of negotiations, Phase II bookings will increase that amount of revenue.

- *Partnership and Sponsorship*
 - FedEx – Our current agreement expires in July of 2020. We have asked FedEx to provide a proposal of services that can be added to justify the approving the optional 5 year extension in the agreement. The Board will review/approve any contract extension.
 - Pepsi –The volume requirements are tracking ahead for year three of the contractual requirements. Years 1 and 2 fell short. Year 3 is on pace to meet the requirements defined by our agreement. As a reminder, this is a 9-year agreement with a commitment of \$1.7 million from Pepsi for the pouring/branding rights in our concession locations. We still have the ability to serve other soft drink manufacturers’ products for catered events.
 - Ride Share – We have conversations scheduled in December with a ride share company to discuss the possibility of an “Official Designation.” We will keep you posted.
 - Naming Rights – Will start discussions regarding this topic after March 2020 (when expansion funding is determined by the ballot initiative). We need to define building inventory before beginning this process again. Staff have engaged the City and Port in initial meetings.

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- Beer –Staff is conducting research with other venues on the possibility of an “Official Beer” category. ABC laws prevent exclusive agreements; however, we are researching the possibility of a marketing agreement versus an exclusive pouring rights agreement that can benefit the Corporation.
- *Grants*
 - The Corporation is focusing on identifying projects that may meet grant criteria. Opportunities are arising around security.
- *Youth Sports Events*
 - Conversations continue with Sporting Event Organizers; however, available dates that are consistently available year after year are preventing booking these events from being a viable option.
- *ESports/ Gaming:*
 - Confidential discussions continue with a current client about an Esports event.

Customer Service/Operations/Capital Updates:

- A new Bottle Filling station has been added in the 6A Lobby and staff will be adding a second station on the upper east side of the venue. These are beta test units and are a continuation of our sustainability efforts.
- The new inclusive restroom is now open in Lobby A.
- The new Mothers Lounge is also now open in Lobby A.
- Shawn Lowery, GM for Smart City at the SDCC, has been promoted to a corporate role and a new Smart City GM will be announced the week of December 2nd.
- We are purchasing all new recycling containers for lobby spaces and exhibit halls. The design of these containers will separate our waste streams and will help the sorting process and our goal to divert 75% from the landfill in 2020.

Capital and Repair/Maintenance Project Updates:

- Between November and January the following projects will be completed:
 - All Public Lobby Spaces Painted and Carpeted (three levels). This project has commenced.
 - Refurbishment of the “way finding” signage in all lobby areas will be completed. This involves changing the color pattern from “red” to a “charcoal” palate that will match the new carpet and the new paint in the halls.
 - New Air Compression System added in Halls D-H

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- Air Duct Replacement project
- New Audio System Installation
- Concrete Repairs on Exterior
- New Fire Alarm Testing
- New Dishwasher Installation
- New Pot Washer Installation
- Completion of Central Plant Assessment

General Venue Updates/Initiatives:

- We have successfully negotiated five of our seven CBA's that expired during 2019.
- We have adjusted the wages of 26 employees who were below the minimum levels of their market pay range. Further evaluation of market pay ranges will occur during the remainder of this fiscal year.

Outreach:

10/23/19 HR Wellness Fair with community health partners

10/24/19 San Diego Convention Center's 30th Anniversary Luncheon featuring staff exhibit and customer video

11/3/19 Special UT Section, "Your SD Convention Center Celebrates 30 Years of Success"

11/11/19 Situational Awareness Training attended by staff and partner venues

11/13/19 30th Anniversary Tours targeted at local foodies, fellow sustainability leaders and Barrio Logan Neighbors

11/14/19 Year End Sales & Marketing presentation to City of SD Economic Development and Intergovernmental Relations Committee

11/19/19 Presentation to SDSU School of Tourism and Hospitality

11/21/19 30th Anniversary exhibit installed in Terminal 2 at the SD Regional Airport through January 2020

11/27/19 Thanksgiving episode of IAVM's Coffee Break Podcast

- Note to Board: Thank you for helping us celebrate our 30 years of success. We ask you to help us spread the word about our final anniversary celebration of the year, "Season's Showcase" on December 8th. SDCCC will be hosting a Parade of Lights Watch Party, with free parking sponsored by the Port and live entertainment from local community performers.

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Strategic Visioning:

- My approach is to continue to receive input from our team members on the values that are important to them. The current Core Values are values that I mandated. I understand that in order to have a strong set of values, they must be driven from the bottom up.
- Once we have a set of values that work, we will then present them to the Board and begin getting direction on goal setting for the future. This will include the objectives and goals in our current strategic plan document. We are committed to evaluating and completing the current objectives that the Board agrees are still relevant.
- We will take the Board's recommendations and direction, survey the stakeholders we work with, and create new visioning for the future that includes a purpose that everyone on the team can live out.
- No plans will be ratified or implemented without your approval.