

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

TUESDAY, FEBRUARY 23, 2021, 12:00 P.M.

AGENDA

**(Meeting to be held via teleconference pursuant to
State of California Executive Order N-29-20)**

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

1. **Call to Order** – Elvin Lai, 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 January 26, 2021**

Discussion Item(s):

B. **Executive Committee (Elvin Lai)**

(1) Recap of SDCCC Board Retreat

Action Item(s):

C. **Budget Committee (Allan Farwell)**

(1) Acceptance of January Financial Reports from Chief Financial Officer

D. **Audit Committee (Carlos Cota)**

(1) Authorize Contribution to President & CEO's Defined Contribution Plan

4. **Chair's Report** (Elvin Lai)

5. **President's Report (Rip Rippetoe)**
6. **Board Comment [Govt. Code § 54954.2(a)(2)]**

Adjournment

This information is available in alternative formats upon request. To request an agenda in an alternative format, or to request a sign language, oral interpreter, an Assistive Listening Device ("ALD"), or other reasonable accommodation for the meeting, please call Pat Evans at (619) 525-5131 at least two working days prior to the meeting to ensure availability. **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.**

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 online at visitsandiego.com. 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 receive 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 3.A

MINUTES*
SAN DIEGO CONVENTION CENTER CORPORATION
THE BOARD OF DIRECTORS

BOARD MEETING OF JANUARY 26, 2021
Via Teleconference

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

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1. Call to Order

Chair Elvin Lai 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 Lai then called roll to determine which Directors were present on the teleconference:

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

All Directors were present except Director Cota. Chair Lai 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 December 1, 2020 and the *Special* Board Meeting of January 14, 2021

Directors Farwell and Gattas moved and seconded, respectively, to approve the Consent Agenda set forth hereinabove.

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

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

Action Item(s):

B. Executive Committee (Elvin Lai)

(1) Authorize Approval of Policy No. 527 re: Display of Objects/Works of Art within the Center

Directors Jacobson and Farwell moved and seconded, respectively, to authorize Approval of Policy No. 527 re: Display of Objects/Works of Art within the Center.

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

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

C. Budget Committee (Allan Farwell)

(1) Acceptance of November Financial Reports from Chief Financial Officer

Directors Kim and Gattas moved and seconded, respectively, to approve the November Financial Reports from Chief Financial Officer

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

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

(2) Acceptance of December Financial Reports from Chief Financial Officer

Directors Farwell and Bradford moved and seconded, respectively, to approve the December Financial Reports from Chief Financial Officer

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

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

Mr. Albright, Executive Director of Procurement and Strategic Relations, also provided an update regarding the status of the roof replacement project.

D. Audit Committee (Carlos Cota)

(1) Authorization to Place Employee Medical and Employer Paid Basic Life, AD&D and LTD Insurance through March and McLennan Agency LLC Company

Directors Farwell and Jacobson moved and seconded, respectively, to authorize placement of Employee Medical and Employer Paid Basic Life, AD&D and LTD Insurance through March and McLennan Agency LLC Company

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

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

(2) Authorize Contribution to President & CEO's Non-Qualified Defined Contribution Plan

Mr. Rippetoe excused himself from the discussion portion of this item.

Directors Farwell and Kim moved and seconded, respectively, to authorize a Contribution in the amount of \$17,168.30 to President & CEO's Non-Qualified Defined Contribution Plan

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

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0.

Ms. Mattix noted that staff had yet to determine the appropriate financial plan for the President & CEO contribution and this item would be brought back to the Board for review once the type of plan was selected.

E. Sales & Marketing Committee (Jeff Gattas): Director Gattas invited Mr. Mikschl and Ms. Coker to provide updates regarding the status of short-term and long-term sales efforts.

Mr. Mikschl reported the following:

- The short-term team has experienced a substantial decrease in sales activity.
- There have been 11 cumulative bookings through the fiscal year which represents approximately \$240,000 in rental revenue. Compared to last year, there were 50 events booked which represented approximately \$1,000,000 in rental revenue.
- The sales team spends the majority of their time working with existing clients to reposition their events to either dates later into the calendar year or, in the case of larger city-wide events, trying to find future years to replace the business that will be lost this year.

- In some instances, staff have been successful in moving events later into the calendar year or early into next year. For the most part, space availability is limited so placement opportunities are also limited.

Ms. Coker reported the following:

- Staff is working with customers to determine if they are going to have a face-to-face meeting in calendar year 2021 and if they are, what does that type of meeting look like. Staff believes they are going to continue to see this type of interaction with clients through the balance of this year.
- Staff was able to convert two smaller pieces of business in 2024 and 2026. These events represent approximately 12,000 room nights for a cumulative total of 123,600 room nights. This amount of room nights is approximately 30,000 less than were reflected this time last year.
- The sales funnel continues to be filled and there is approximately 1.1 million tentative room nights on the books. Last year at this time there were approximately 389,000 tentative room nights on the books. This figure indicates there are a number of customers who have not decided what the future looks like for their events.
- Staff is spending a lot of time and allocating marketing support to strengthen U.S. Travels message of “Let’s Go There.”
- Today is “National Plan for Vacation Day” and SDTA is encouraging people to plan for a leisure vacation. Staff plan to spin off of the “Let’s Go There” concept with a campaign titled “Let’s Plan to Meet There.”
- SDTA would also like to congratulate Angie Ranalli, VP of the Chicago Sales Office, for her appointment as the new Chair of the PCMA Foundation. Ms. Ranalli’s appointment will also lend more visibility to San Diego.
- Chair Lai asked Mr. Rippetoe if there was any reopening update from the Governor’s office and Mr. Rippetoe reported that CalTravel has made contact with the Governor’s office and there has been no official response on the reopening guidelines. Staff has heard that the focus has been entirely on rolling out vaccinations. IAVM is exploring ramifications for all sectors of venues. Mr. Rippetoe has also briefed Senate Pro Tem Atkins and Assembly Member Ward and they are also making inquiries regarding the guidelines.

4. **Chair’s Report (Chair Elyin Lai):**

- Chair Lai noted, with regards to the report on the roof, all items on the agenda are vetted through the appropriate Committee before they are added to the Agenda for review and approval by the entire Board. The roof update was a discussion item and not an “action item.”
- Staff is preparing for the upcoming Board Retreat. If you have questions, please reach out to Chair Lai or Rip or Pat. The Retreat will start at approximately 7:45 a.m. Once determined, the final start time will be forwarded to you.
- It is likely that the shelter will be extended through March. Council is taking action on that matter today.
- There has been a partial lifting of the stay-at-home order by the Governor.

- Congratulations to all of the new Convention Center Directors. 2021 will be a very challenging year and with everyone's contributions we should be able to get through it.
- The next board meeting is scheduled for February 23, 2021.

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

- There have been inquiries regarding the Board seat Director Jacobson will be vacating. The Board will be updated upon receipt of additional information.
- During the recent rain, the roof had some minor leaks but nothing as serious as the leaks from last January.
- The Governor's office inquired about the Center's ability to function as a vaccine center. Since the criteria is largely centered on outdoor space that can act as a drive-through, and since there is a super-site across the street, it is unlikely that the Center could serve that purpose. There will be a closed effort to vaccinate the residents and staff members at the shelter.
- IAVM is joining the new Exhibition and Conference Alliance that includes the center's customer associations such as PCMA, IAEE, and SISA along with three other associations that are affiliated with event contractors. These organizations are bringing their resources together so they can have a more singular voice when educating elected officials.
- The SDCCC Executive Team (CEO, CFO and Executive VP of Sales) has been expanded and it now includes Corey Albright, Terry Kurtenbach, Rita de la Fuente, Maren Dougherty and Bobby Ramirez from Centerplate (the Center's largest single revenue contributor).
- Chair Lai asked if there was a way to consolidate reports and information forwarded by the Executive Office. Mr. Rippetoe responded that since the e-mails come from many sources, forwarding the information was easier than finding a method of consolidation.

6. **Board Comment [Govt. Code § 54954.2(a)(2)]** – Director Bradford thanked Ms. Coker for the SDTA branded face masks.

There being no further business, the meeting adjourned at 12:43 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 January 26, 2021 and that said minutes were approved by the Board of Directors on February 23, 2021.

Carlos Cota, Secretary

Agenda Item 3.D.1

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

TO: Board of Directors

FROM: Mardeen Mattix, Chief Financial Officer

DATE: For the Agenda of February 23, 2021

RE: Authorization to fund retirement benefits owed to CEO per Employment Agreement Terms

BACKGROUND:

The President & CEO's employment agreement calls for him to receive ten percent of his salary for participation in the Corporation's retirement program up to the annual statutory limitations. In the event the contribution is limited by tax or other regulatory restrictions, Corporation will work with the Officer to provide the fully allowed contribution in a mutually agreeable mechanism discussed between parties.

Annually, since 2017, the President & CEO has exceeded the statutory threshold contribution allowance of the Money Purchase Pension Plan. To date, the Corporation has not contributed the excess due into a retirement account and, therefore, owes the President & CEO a "catch-up" contribution for years 2017-2019 of \$13,579.77 inclusive of interest estimated to have been earned. For 2020, Corporation is required to deposit an additional \$3,588.53. Before a contribution is deposited, the Corporation's retirement plan administrator will recalculate the interest owed through an actuary.

DISCUSSION:

Historically, the Corporation offered a Non-Qualified Def Comp (NQDC) plan to the prior CEO. After review of the current NQDC policy through our ERISA attorney, Davis Wright Tremaine LLP, it was determined that the existing policy is no longer in compliance with current regulations and would need to be restated. Since the employment agreement does not require contributions be deposited through this mechanism, we were advised by the attorney that the most versatile and cost effective option for both parties would be to issue payment to President & CEO for the approved value for him to directly contribute to his existing Deferred Compensation Plan.

The President & CEO currently participates in both the 403b and 457 Def Compensation plans offered by the Corporation. By awarding him the payment in the same pay period and he defers the entire amount to his 457 Def Compensation plan, he will properly recognize the contribution as compensation for employment tax purposes but will also benefit from the deferral of income

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taxes with flexibility of managing his investment choices. Additionally, this is favorable for the Corporation since there is no additional cost of maintaining a separate retirement plan without the administrative burden associated with a Non-Qualified plan design.

RECOMMENDATION

Authorize contribution payable within the next 30 days to President & CEO with an equal offsetting deduction to the 457 deferred compensation plan established by the Corporation through custodial services of Charles Schwab. Corporation budgeted for this in the current fiscal year, following the full conversion of the retirement program that concluded in September 2020. The approximate contribution payable is roughly \$17,200 pending actuary review.

/s/

Mardeen Mattix, Chief Financial Officer