

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

TUESDAY, JUNE 23, 2020, 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 – Jaymie Bradford, 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 April 20, 2020 and April 23, 2020

Action Item(s):

B. Acceptance of March, April and May and Financial Reports from Chief Financial Officer

C. Budget Committee (Carol Kim)

(1) Authorization to Approve Third Revised Fiscal Year 2021 Budget

(2) Authorization to Approve FedEx Revenue Contract Extension

(3) Authorization to Extend Waste Management Contract

D. Audit Committee (Allan Farwell)

(1) Authorization to Accept Money Purchase Pension Plan Audited Financial Report for the Plan Year Ended December 31, 2019

E. Sales & Marketing Committee (Elvin Lai)

- 1. Authorization to Accept of San Diego Tourism Authority “Program of Work”**
- 2. Authorization to Amend Payment to San Diego Tourism Authority for Long-Term Sales & Marketing Support**

4. Chair’s Report (Chair Jaymie Bradford)

5. President’s Report (Rip Rippetoe)

6. Board Comment [Govt. Code § 54954.2(a)(2)]

7. Closed Session

A. EMPLOYEE PERFORMANCE EVALUATION

Government Code Section 54957

Title: President & CEO

B. CONFERENCE WITH LABOR NEGOTIATORS

Government Code Section 54957.6

Agency Representatives: Compensation Ad Hoc Committee of the Board

Unrepresented Employee: President & CEO

3. Additional Board Action Items:

F. Ad Hoc Compensation Committee (Xema Jacobson)

- (1) Authorization to Approve of a Resolution of the San Diego Convention Center Corporation, Inc. Approving the Second Amendment to the Amended and Restated Employment Agreement to Extend the Time to Negotiate Future Compensation with the President & CEO**

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 APRIL 20, 2020 Via Teleconference

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

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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 – Absent
Director Gattas – Absent
Director Jacobson – Present

All Directors were present except Directors Cota and 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 March 26, 2020**
- B. Authorization to Amend Contract for Elevator/Escalator Maintenance**

Directors Kim 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 –Absent
Director Gattas – Absent
Director Jacobson - Aye**

Vote: Unanimous

AYES: 5 NAYS: 0 ABSTENTIONS: 0

Action Item(s):

- C. Budget Committee (Carol Kim)**

(1) Authorization to Approve Revised Fiscal Year 2021 Budget

Directors Kim and Jacobson moved and seconded, respectively, to approve the Revised Fiscal Year 2021 Budget which includes a strategy to utilize the proposed SBA PPP Loan

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

Vote: Unanimous

AYES: 5 NAYS: 0 ABSTENTIONS: 0

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

Directors Kim and Lai moved and seconded, respectively, to Place Property, General and Umbrella Liability, Workers' Compensation and Directors & Officer Insurance through the Brokerage Services of March & McLennan Agency

Chair Bradford – Aye

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

Vote: Unanimous

AYES: 5

NAYS: 0

ABSTENTIONS: 0

4. **Chair's Report (Chair Jaymie Bradford):**

- Chair Bradford noted an extension has been granted to file outstanding Form 700s. The new deadline is June 1, 2020.
- Ethics Training is also due for those who have received notification of required on-line training. Any past-due filings are subject to fines.
- Chair Bradford also thanked SDCCC support staff who have kept the facility operating during this challenging period.
- The Board will resume employee-of-the-month recognitions once on-site Board meetings have resumed.

5. **President's Report (Rip Rippetoe) – Mr. Rippetoe discussed:**

- (1) How staff and operations are functioning, including an update of additional event cancellations,
- (2) How staff are updating clients regarding ongoing safety and cleanliness guidelines implemented at the facility.
- (3) An in depth overview of a proposed future project planning flow chart.

6. **Board Comment [Govt. Code § 54954.2(a)(2)] – Director Kim noted the importance of comprehensive project planning going forward. Director Kim also noted that with the new realignment of the proposed project planning process, the Procurement Department will be assuming a key role and additional responsibilities in addition to their current job duties. Director Kim requested that given the proposed changes in duties, Executive staff, in conjunction with H.R., should reevaluate the classification of duties and salaries of Procurement staff and report back to the Board.**

7. **Closed Session Cont.:** The Board entered into closed session at 12:49 p.m. to discuss:

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

The Board returned to open session at 1:12 p.m.

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

There being no further business, the meeting adjourned at 1:14 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 April 20, 2020 and that said minutes were approved by the Board of Directors on, June 23, 2020.

Allan Farwell, Secretary

DRAFT

Agenda Item 3.A

MINUTES* SAN DIEGO CONVENTION CENTER CORPORATION THE BOARD OF DIRECTORS

BOARD MEETING OF APRIL 23, 2020 Via Teleconference

BOARD MEMBERS PRESENT:	Vice-Chair Elvin Lai and Directors Carol Kim, Allan Farwell, Carlos Cota, Jeff Gattas and Xema Jacobson
BOARD MEMBER(S) ABSENT:	Director Jaymie Bradford
STAFF PRESENT:	Rip Rippetoe, Mardeen Mattix 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

Vice-Chair Elvin Lai called the Board Meeting to order at 12:06 p.m. in the Executive Boardroom of the San Diego Convention Center Corporation, 111 West Harbor Drive, San Diego, CA 92101. Vice-Chair Lai then called roll to determine which Directors were present on the teleconference:

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

All Directors were present except Director Bradford. Vice-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:

- A. Authorization to Approve a Resolution of the San Diego Convention Center Corporation, Inc. Approving the Payment Protection Program Loan through the U.S. Small Business Administration as Provided through City National Bank and Authorizing the Designated Officers of the Corporation to Approve, Execute, and Take Any and All Actions Necessary to Apply For, Approve, and Bind the Corporation to Necessary Loan Documents for Such Loan**

Directors Farwell and Jacobson moved and seconded, respectively, to Approve a Resolution of the San Diego Convention Center Corporation, Inc. Approving the Payment Protection Program Loan through the U.S. Small Business Administration as Provided through City National Bank and Authorizing the Designated Officers of the Corporation to Approve, Execute, and Take Any and All Actions Necessary to Apply For, Approve, and Bind the Corporation to Necessary Loan Documents for Such Loan

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

Vote: Unanimous

AYES: 6 NAYS: 0 ABSTENTIONS: 0

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

There being no further business, the meeting adjourned at 12:24 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 April 23, 2020 and that said minutes were approved by the Board of Directors on June 23, 2020.

Allan Farwell, Secretary

Agenda Item 3.C.1

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

TO: Board of Directors

FROM: Carol Kim, Budget Committee Chair

DATE: For the Agenda of June 23, 2020

RE: Review of Second Revised Fiscal Year 2021 Proposed Budget (since BOD approval 4-20-2020)

BACKGROUND

The San Diego Convention Center Corporation budget is adopted by San Diego Convention Center Board of Directors and approved by the City Council of San Diego. Our FY2021 budget was approved March 26, 2020 and then revised April 20, 2020 due to the COVID-19 pandemic to be based on loss of events between mid-March through July 2020. **State mandated shelter in place executive orders continue to limit social gathering and have designated venues for consideration in the last phase of their current re-opening plan.** The City of San Diego is using the convention center as a temporary homeless shelter with the anticipation of demobilizing residents in the fall in anticipation of event activity resuming in early December. The City of San Diego shelter to home agreement deems certain operational expenses incurred by the Center to support the shelter efforts will be reimbursed from CARES Act funding for the month of April up to \$600,000. Corporation qualified for CARES Act funding through the Paycheck Protection Program (PPP) of \$4.387 million with 100% estimated debt forgiveness to cover lost wages during the last quarter of the fiscal year. Therefore, Corporation will only bill the City for shelter costs in the month of April as May and June labor and utility costs will be covered through the PPP.

DISCUSSION

The FY2021 Budget approved on April 20, 2020, produced Net Operating Loss of (\$1,009,908) based on no event activity through July. Since that meeting, Corporation has lost all events through September with other cancellations stretching into October and November. City of San Diego adopted a revised budget on Tuesday, June 9, 2020, which called for \$2.3M monthly financial assistance related to shelter efforts supported through CARES Act funding to continue through October 31, 2020. City of San Diego eliminated contributions of \$2,186,350 that directly pass through to San Diego Tourism Authority used to fund long-term sales and marketing efforts.

Projected beginning Operating Reserve balance for FY21 is \$5,559,100 after factoring the effects of COVID-19 fallout through June, offset by \$3 million of the PPP loan proceeds planned for loan forgiveness. FY2021 assumes shelter operations continue through October 31 with November as a transition month to prepare the center to welcome a large medical event in early December. Anticipated attendance in December is expected to be down by over 50% with a slow recovery period

for business to resume through the following year. Since the March 26, 2020 budget approval, Corporation estimates operating revenue losses of over \$20M during FY21, half of what it originally was projecting three months ago.

To augment the lost revenue, Corporation implemented cost mitigation strategies including:

Pandemic - Personnel Cost mitigation plan (SDCC only):

- Elimination of 48% of current jobs (pre-COVID 215 FT/220 PT, post-COVID 176 FT/50 PT)
 - (39) Elimination/Laid off FT positions
 - (170) PT Laid-off indefinitely: except approx. 50 positions used to cover shelter efforts beyond FT available to work in cleaning/public safety
- Reduction in hours worked for remaining active FT: Avg -32%
 - **All remaining (176) Active FT's will face between a 10% and 50% reduction in worked hours between 7/1-12/31/2020**
 - **Exec Staff to each take 30 days of furlough.**
- Elimination of Sales Incentive program for FY20 and FY21
- Elimination of non-represented employee merits for FY21
- Elimination of CEO FY 20 retention bonus and contracted salary increase amount for FY21

Non-personnel impact:

- Initial reduction in SDTA long-term marketing support of 50% (\$1,093,175) with budget priority given to fund up to the remaining balance based on the following conditions:
 - Projected FY21 minimum reserve balance is met, and
 - Project FY22 minimum reserve balance is substantially solvent
- ** Corporation will evaluate budget, regional market conditions and event activity throughout the year and will work closely with SDTA to provide an update on forecast for additional funding.
- Suspend all R&M and non-critical support spending (FF&E, R&M, travel, contracted labor)
- Reduction in utility costs of \$300,000 due to less event activity

FY2021 faces a Net Operating loss of (\$1,382,170) when factoring loss revenues offset by mitigating cost measures. After funding Debt Service Obligations (\$1,572,844) and Capital Outlays (\$2,435,700), projected FY21 year-end Operating Reserves are anticipated to be \$2,520,410. All non-critical capital projects were deferred to future years.

10 YR- CIP and OPERATING CAPITAL BUDGET

FY2021 total Capital Improvement Plan remains budgeted for \$2,435,701, which includes \$1,500,000 for Capital Infrastructure Projects ("CIP") and Operating Capital ("O&M") of \$935,701. SDCCC's focus is to repair leaks in the building by prioritizing the roof replacement of the original ("West") building and replacing corroded sewer drain lines. The design, engineering and planning phase for the roof replacement will occur during FY2021 with schedule construction anticipated Sept 2021 – June 2022 of FY2022. Additionally, the Center's primary capital operating

projects consist of converting software platforms for event management and finance and public address loud speakers during the upcoming FY2021.

Capital improvement projects will use Operational Reserves to cover the costs with the exception of the roof replacement anticipated to fund from debt proceeds in FY2022. Estimated costs of \$1,250,000 for design and engineering will be reimbursed from debt proceeds issued through IBank through a collaborative effort of Corporation, City staff and IBank.

STAFF RECOMMENDATION

Approve authorization of FY2021 Second Revision Operating Budget following City Council approval of our anticipated funding.

/s/ _____
Carol Kim
Budget Committee Chair

SAN DIEGO CONVENTION CENTER CORPORATION

Jun 11, 2020

FY2021 OPERATING BUDGET - BOARD APPROVED 04/20/2020 (Revised for December Re-Opening)

12:06 AM

	FY2020 BUDGET	FY2020 FORECAST	FY2021 PROPOSED BUDGET	FY2022 PROJECTION	FAVORABLE (UNFAVORABLE) FY2021 BUDGET to FY2020 BUDGET		FAVORABLE (UNFAVORABLE) FY2021 BUDGET to FY2020 FORECAST	
					\$	%	\$	%
OPERATING REVENUES								
Building Rent	\$9,358,263	\$6,354,150	\$5,416,390	\$9,091,890	-\$3,941,873	-42.1%	-\$937,760	-14.8%
Co-Promoted Events	60,000	0	0	0	-60,000	-100.0%	0	0.0%
Food & Beverage	11,649,835	9,236,060	4,719,030	11,812,310	-6,930,805	-59.5%	-4,517,030	-48.9%
Event Services	4,744,504	3,690,900	2,535,970	4,474,330	-2,208,534	-46.5%	-1,154,930	-31.3%
Utilities	6,039,732	4,342,150	3,259,980	6,742,240	-2,779,752	-46.0%	-1,082,170	-24.9%
Telecommunications	4,742,808	3,516,920	2,582,850	4,499,460	-2,159,958	-45.5%	-934,070	-26.6%
Audio & Visual	1,352,738	1,004,810	584,660	1,294,730	-768,078	-56.8%	-420,150	-41.8%
Business Development	475,000	391,840	383,300	975,000	-91,700	-19.3%	-8,540	-2.2%
Interest/Investment Income	210,000	270,000	265,000	300,000	55,000	26.2%	-5,000	-1.9%
Other Revenues	238,896	155,610	88,300	111,020	-150,596	-63.0%	-67,310	-43.3%
TOTAL OPERATING REVENUES	\$38,871,776	\$28,962,440	\$19,835,480	\$39,300,980	-\$19,036,296	-49.0%	-\$9,126,960	-31.5%
OPERATING INFLOWS								
City of San Diego - Marketing	\$2,133,025	\$2,133,030	\$0	\$2,241,000	-\$2,133,025	-100.0%	-\$2,133,030	-100.0%
City of San Diego - Shelter Operations	0	425,000	9,337,500	0	9,337,500	100.0%	8,912,500	2097.1%
Grants	0	50,000	0	0	0	0.0%	-50,000	-100.0%
TOTAL OPERATING INFLOWS	\$2,133,025	\$2,608,030	\$9,337,500	\$2,241,000	\$7,204,475	337.8%	\$6,729,470	258.0%
TOTAL REVENUES AND INFLOWS	\$41,004,801	\$31,570,470	\$29,172,980	\$41,541,980	-\$11,831,821	-28.9%	-\$2,397,490	-7.6%
OPERATING EXPENSES								
Salaries & Wages - Full Time	\$13,961,391	\$13,829,420	\$12,065,650	\$14,654,760	\$1,895,741	13.6%	\$1,763,770	12.8%
Salaries & Wages - Part Time	4,676,981	4,022,580	1,987,030	4,699,810	2,689,951	57.5%	2,035,550	50.6%
Fringe Benefits	5,295,009	4,967,860	4,370,080	5,037,160	924,929	17.5%	597,780	12.0%
TOTAL PERSONNEL EXPENSES	\$23,933,381	\$22,819,860	\$18,422,760	\$24,391,730	\$5,510,621	23.0%	\$4,397,100	19.3%
General Expenses	\$3,484,816	\$2,867,340	\$1,443,850	\$2,451,070	\$2,040,766	58.8%	\$1,423,490	49.6%
Repair & Maintenance	2,600,247	2,974,470	3,260,820	2,723,230	-660,573	-25.4%	-286,350	-9.6%
Utilities	4,429,771	3,927,770	3,907,670	4,668,600	522,101	11.8%	20,100	0.5%
Contracted Services	1,161,975	733,200	1,087,620	1,282,120	74,355	6.4%	-354,420	-48.3%
Travel & Transportation	147,742	111,440	90,700	146,930	57,042	38.6%	20,740	18.6%
Insurance	402,720	522,970	583,410	567,630	-180,690	-44.9%	-60,440	-11.6%
Telecommunications	45,114	69,620	51,820	51,700	-6,706	-14.9%	17,800	25.6%
Sales & Marketing	2,337,192	2,237,510	1,155,520	2,417,720	1,181,672	50.6%	1,081,990	48.4%
Supplies	434,846	565,460	550,980	510,660	-116,134	-26.7%	14,480	2.6%
TOTAL SUPPLIES & SERVICES	\$15,044,223	\$14,009,780	\$12,132,390	\$14,819,660	\$2,911,833	19.4%	\$1,877,390	13.4%
TOTAL OPERATING EXPENSES	\$38,977,604	\$36,829,640	\$30,555,150	\$39,211,390	\$8,422,454	21.6%	\$6,274,490	17.0%
NET OPERATING REVENUES / EXPENSES	\$2,027,197	-\$5,259,170	-\$1,382,170	\$2,330,590	-\$3,409,367	-168.2%	\$3,877,000	73.7%
EXTRAORDINARY GAIN ON DEBT FORGIVENESS	\$0	\$3,000,000	\$1,387,000	\$0	-\$1,387,000	-100.0%	-\$1,613,000	-53.8%
DEBT SERVICE EXPENSES								
Interest Expense	\$891,362	\$891,360	\$1,000,220	\$1,108,100	-\$108,858	-12.2%	-\$108,860	-12.2%
Loan Admin Fee	74,487	74,490	72,200	69,670	2,287	3.1%	2,290	3.1%
Principal: Warehouse Lease	2,197	2,200	2,200	2,200	-3	-0.1%	0	0.0%
Principal: iBank Loan	756,061	756,060	783,200	811,320	-27,139	-3.8%	-27,140	-3.6%
TOTAL DEBT SERVICE EXPENSES	\$1,724,107	\$1,724,110	\$1,857,820	\$1,991,290	-\$133,713	-7.8%	-\$133,710	-7.8%
NET OPERATING RESERVE IMPACT	\$303,090	-\$3,983,280	-\$1,852,990	\$339,300	-\$4,930,080	-1626.6%	\$2,130,290	53.5%

OPERATING RESERVE ACTIVITY	FY2020 BUDGET	FY2020 FORECAST	FY2021 BUDGET	FY2022 PROJECTION	FAVORABLE / (UNFAV) FY2021 BUDGET to FY2020 BUDGET		FAVORABLE / (UNFAV) FY2021 BUDGET to FY2020 FORECAST	
					\$	%	\$	%
Beginning Operating Reserve	\$10,199,516	\$13,674,080	\$5,559,100	\$2,520,410	-\$4,640,416	-45.5%	-\$8,114,980	-59.3%
+ Net Operating Revenues / (Expenses)	2,027,197	-5,259,170	-1,382,170	2,330,590	-3,409,367	-168.2%	3,877,000	73.7%
+ Extraordinary Gain on Debt Forgiveness	0	3,000,000	1,387,000	0	1,387,000	100.0%	-1,613,000	-53.8%
- Debt Service Obligation	-1,724,107	-1,724,110	-1,857,820	-1,991,290	-133,713	-7.8%	-133,710	-7.8%
+ Loan Proceeds to Fund Capital Projects	0	0	1,250,000	5,550,000	1,250,000	100.0%	1,250,000	100.0%
- Capital Outlay:								
Capital Infrastructure Projects	-5,142,450	-2,703,100	-1,500,000	-7,462,250	3,642,450	70.8%	1,203,100	44.5%
Operating Capital	-1,784,309	-1,428,600	-935,700	-952,250	848,609	47.6%	492,900	34.5%
Ending Reserve Balance	\$3,575,847	\$5,559,100	\$2,520,410	-\$4,790	-\$1,055,437	-29.5%	-\$3,038,690	-54.7%
Reserve Minimum Balance (8%)	\$3,150,000	\$3,003,000	\$3,003,000	\$3,003,000	\$147,000	4.7%	\$0	0.0%
Over / (Under) Reserve Minimum Balance	\$425,847	\$2,556,100	-\$482,590	-\$3,007,790	-\$908,437	-213.3%	-\$3,038,690	-118.9%

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

TO: Board of Directors

FROM: Carol Kim, Budget Committee Chair

DATE: For the Agenda of June 23, 2020

RE: Authorization to Amend the Contract with FedEx Office and Print Services, Inc.

BACKGROUND

The San Diego Convention Center Corporation ("Corporation") entered into a services contract with FedEx Office and Print Services, Inc., to provide business center services, equipment, and merchandise ("Services") to Corporation's clientele for a five-year term, expiring on June 30, 2020.

DISCUSSION

Pursuant to the terms of the existing agreement, there is an option to extend for one (1) extension term of five (5) years. However, the Corporation and FedEx have worked collaboratively in recent weeks to determine how we can move forward with an agreement that will best suit the needs of both parties based on the unique business circumstances resulting from the COVID-19 pandemic. Through these discussions we have determined that our best course of action is to negotiate an amended agreement with FedEx which will address the needs of the Corporation and our clientele into the future. Items of note proposed for approval and incorporation as part of the amended agreement:

1. Three-year extension term of the agreement, which would extend from July 1, 2020, through June 30, 2023.
2. All terms and conditions of the current agreement would be incorporated into the new agreement. This would include the existing commission structure of 18% on all revenues generated, or the monthly minimum of \$13,000 (whichever is greater).
3. Additionally, FedEx agrees to continue paying the monthly minimum of \$13,000 per month through the life of the existing contract, and for all months which fall under the term of the new contract (through June of 2023) regardless of the level of business activity at the Center during any given month.

STAFF RECOMMENDATION

Approve authorization to amend the contract with FedEx based on the terms as outlined above.

/s/ _____
Carol Kim
Budget Committee Chair

Agenda Item 3.C.3

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

TO: Board of Directors

FROM: Carol Kim, Budget Committee Chair

DATE: For the Agenda of June 23, 2020

RE: Authorization to Extend the Contract with USA Waste of California, Inc.

BACKGROUND

On July 1, 2015, Corporation entered into a contract with USA Waste of California, Inc. for waste removal and disposal services. This contract was for a five (5) year term, expiring on June 30, 2020.

DISCUSSION

Staff had anticipated seeking a new five (5) year contract for a waste removal and disposal contractor. The request for proposals (RFP) was scheduled to take place from mid-March through end of April 2020. The COVID-19 pandemic significantly disrupted operations throughout our facility, including the timeline and ability to accomplish this RFP.

Staff feels it is best under the current circumstances to extend the existing agreement with USA Waste of California, Inc., a leader in their industry, to ensure consistent best practices of our contracted waste material handlers and haulers.

Staff is seeking approval of a one (1) year extension through June 30, 2021 with USA Waste of California, Inc. Staff anticipates soliciting for the new five (5) year contract at the conclusion of this one (1) year extension.

STAFF RECOMMENDATION

Approve authorization to extend the contract with USA Waste of California, Inc. for an additional one (1) year period.

/s/

Carol Kim
Budget Committee Chair

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: Allan Farwell, Audit Committee Chair

DATE: For the Agenda of June 23, 2020

RE: Acceptance of Money Purchase Pension Plan Audited Financial Report for the Plan Year Ended December 31, 2019

BACKGROUND

The State Controller's office has specified with respect to the Public Retirement Systems Financial Transactions Report of San Diego Convention Center Corporation Money Purchase Pension Plan (MPPP) performance of a limited scope annual independent audit.

DISCUSSION

The accounting firm of Considine & Considine, LLP has completed the limited scope audit of the Corporation's MPPP for the plan year ended December 31, 2019. They have served as our auditors for many years with procurement and contract evaluation on a 5-year rotation. Calendar year 2020 concludes the last term of their existing contract.

The purpose of this audit to express an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP) and whether the supplemental schedules are fairly stated in all material respects in relation to the financial statements as a whole. I am happy to report a successful audit with confirmation that our financial statements are fairly presented in conformity with U.S. GAAP, the notes include all disclosures required by laws and regulations to which the plan is subject

_____/s/_____
Allan Farwell
Audit Committee Chair

Agenda Item 3.D.1

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN**

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of
San Diego Convention Center Corporation Money Purchase Pension Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of San Diego Convention Center Corporation, which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statements of changes in net assets available for benefits for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR section 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in note 6, which was certified by Wells Fargo Bank, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the plan trustee as of and for the years ended December 31, 2019 and 2018, that the information provided to the plan administrator by the plan custodian is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedule of assets (held at the end of the year) as of December 31, 2019 is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

CONSIDINE & CONSIDINE

An accountancy corporation

June 8, 2020

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2019 AND 2018**

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	<u>2019</u>	<u>2018</u>
ASSETS		
INVESTMENTS		
Investments at fair value (notes 6 and 7)	\$ 25,142,180	\$ 22,044,073
RECEIVABLES		
Notes receivable from participants	<u>740,709</u>	<u>716,193</u>
TOTAL ASSETS	25,882,889	22,760,266
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 25,882,889</u></u>	<u><u>\$ 22,760,266</u></u>

See accompanying notes

SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Page 5

	<u>2019</u>	<u>2018</u>
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
INVESTMENT INCOME (note 6)		
Net appreciation/(depreciation) in fair value of investments	\$ 3,883,446	\$ (1,499,358)
Dividends	396,049	428,458
Mutual fund rebate	<u>50,214</u>	<u>51,400</u>
	4,329,709	(1,019,500)
Interest income on notes receivable from participants	35,853	29,469
CONTRIBUTIONS		
Employer	<u>1,321,683</u>	<u>1,282,170</u>
TOTAL ADDITIONS	5,687,245	292,139
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants (note 5)	2,511,942	1,416,387
Administration fees (note 3)	<u>52,680</u>	<u>53,312</u>
TOTAL DEDUCTIONS	<u>2,564,622</u>	<u>1,469,699</u>
NET INCREASE/(DECREASE)	3,122,623	(1,177,560)
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	<u>22,760,266</u>	<u>23,937,826</u>
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	<u><u>\$ 25,882,889</u></u>	<u><u>\$ 22,760,266</u></u>

See accompanying notes

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

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NOTE 1 DESCRIPTION OF PLAN

The following description of San Diego Convention Center Corporation Money Purchase Pension Plan ("Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

GENERAL

The Plan is a defined contribution plan covering all full-time and part-time employees of The San Diego Convention Center (the "Company" or "Employer") who are not covered under a union retirement plan. Full-time employees qualify to participate in the Plan once they have completed 1,000 hours in their first year of service while part-time employees qualify to participate in the Plan once 1,000 hours have been completed each year. The Plan is subject to certain provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

CONTRIBUTIONS

Contributions to the Plan are as follows:

For each plan year, the Employer is required to contribute an amount equal to 10% of the total annual compensation of all participants who qualified to participate in the Plan. Contributions for any one plan year shall be transferred to the Plan; provided, however, such contributions shall be paid no later than the due date of the Company's corporate tax returns (or any extension thereof). In the event the annual contribution is deposited after the close of the plan year, the employer shall designate the plan year to which such contributions apply. Total payroll for the years ended December 31, 2019 and 2018 was \$18,694,529 and \$17,436,347, respectively. Contributions were calculated using eligible wages of \$13,828,023 for 248 employees and \$13,344,874 for 248 employees for the years ended December 31, 2019 and 2018, respectively. The Plan was fully funded during 2019 and 2018.

The Plan does not permit voluntary contributions.

PARTICIPANT ACCOUNTS

Participants have separate accounts for contributions to the Plan. Annually, each account recognizes appropriate contributions, plan earnings or losses net of fees, and applicable forfeitures upon participant termination.

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

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FORFEITED ACCOUNTS

Forfeitures are used to reduce the employer's liability for current or subsequent contributions to the Plan.

VESTING

Vesting in participant's accounts, based on years of service, is as follows:

<u>Years of service</u>	<u>Vested %</u>
Less than 1 year	None
1 year but less than 2	20
2 years but less than 3	40
3 years but less than 4	60
4 years but less than 5	80
5 years of more	100

LOANS

Participant loans are permitted under the Plan, however, loan amounts may not exceed the lesser of \$50,000 or 50% of the participants vested account balance, subject to a minimum loan amount of \$1,000. Interest charged on the loans is prime rate plus 0.5%.

INVESTMENT OPTIONS

Upon enrollment into the Plan, participants may direct their account balances in any investment alternatives approved by the trustee, including but not limited to mutual funds and the common and collective fund. All earnings and losses on the directed investments are credited directly to the participants' accounts.

PAYMENT OF BENEFITS

Vested benefits are payable in one lump-sum distribution of the entire account balance or in a single sum payment of a portion of the account balance.

For purposes of determining whether or not a withdrawal is being used to provide benefits in accordance with the Plan document, the term "benefits" is limited to amounts becoming payable to the participant due to:

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

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- (A) termination of employment
- (B) retirement
- (C) disability
- (D) death

as defined in the plan document.

Withdrawals for reasons other than those listed above are allowed but may be subject to certain charges and adjustments.

In the event of a mandatory distribution greater than \$1,000, but no more than \$5,000, in accordance with the payment provisions of the Plan, if the participant does not elect to have such distributions paid directly to an eligible retirement plan specified by the participant in a direct rollover or to receive the distribution directly under any form of payment allowed under the Plan, then the distribution will be paid in a direct rollover to an individual retirement plan designated by the plan administrator. Mandatory distributions of \$1,000 or less will be paid in cash as directed by the plan administrator, unless the participant elects a direct rollover or elects to receive the distribution under another form permitted by the Plan.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The accompanying financial statements have been prepared using the accrual method in conformity with generally accepted accounting principles (GAAP) in the United States of America.

Use of Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Investments Valuation and Income Recognition - Investments are maintained in mutual funds and in a non-fully benefit-responsive common collective trust and are stated at values certified by the institution that holds the Plan's assets as an investment manager and are under the custody of the Plan trustee. Quoted market prices are used to value investments at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year. The cost basis of the assets was \$28,022,038 and \$28,201,225 as of December 31, 2019 and 2018, respectively.

SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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Fair Value Measurement - The Plan follows accounting standards consistent with the Financial Accounting Standards Board (FASB) Codification which defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements for all financial assets and liabilities.

Notes Receivable from Participants - Loans to participants are reported at their unpaid principal balances plus any accrued but unpaid interest. Management regularly reviews the collectability of the delinquent loan balances and records an allowance based on circumstances of the individual's underlying loan. Uncollectible loans are written off against the participant's balance at the time the participant leaves the Plan. Notes receivable from participants are reported net of an allowance of \$0 as of December 31, 2019 and 2018.

Benefits - Benefits are recorded when paid. There were no unpaid benefits at December 31, 2019 and 2018.

Income Taxes - The Plan follows accounting standards which clarify the accounting for uncertainty in income taxes recognized in the Plan's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on derecognition and measurement of a tax position taken or to be taken in a tax return. The Plan is a governmental plan as defined in section 3(32) of ERISA, and thus exempt from Title 1 of ERISA and certain provisions of the Internal Revenue Code. The Plan is subject to the unrelated business income tax (UBIT) in any taxable year its unrelated business taxable income (UBTI) exceeds \$1,000. The Company does not believe it has conducted business which is not substantially related to the Plan's exempt purpose or invested in any non-qualified investments that would be subject to UBIT. As of December 31, 2019 and 2018, the Plan has not accrued interest or penalties related to uncertain tax positions.

NOTE 3 ADMINISTRATIVE EXPENSES

Expenses of the Plan, to the extent that the employer does not pay such expenses, may be paid out of the assets of the Plan provided that such payment is permitted by law. Certain investment related expenses are included as a reduction of investment return and are not separately reflected. During the years ended December 31, 2019 and 2018, the majority of the administrative expenses of the Plan were paid using assets of the Plan. Amounts totaling \$52,680 and \$53,312 were paid directly by the Plan for trustee fees for the years ended December 31, 2019 and 2018, respectively.

SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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NOTE 4 PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, the rights of all employees to account balances accrued to the date of the termination are fully vested and non-forfeitable.

NOTE 5 BENEFITS PAID TO PARTICIPANTS

For the years ended December 31, 2019 and 2018, \$2,511,942 and \$1,416,387, respectively, have been distributed to participants who have withdrawn from the Plan.

For the years ended December 31, 2019 and 2018, the total amount of forfeitures used for the Plan were \$0. Forfeitures are used to reduce employer contributions to the Plan. At December 31, 2019 and 2018, there were forfeited nonvested accounts totaling \$18,127 and \$17,758, respectively.

NOTE 6 INFORMATION PREPARED AND CERTIFIED BY PLAN TRUSTEE

The following is information prepared and certified by Wells Fargo Bank:

	<u>2019</u>	<u>2018</u>
Investments at fair value:		
Mutual funds	\$ 22,380,194	\$ 18,932,224
Common and collective fund	2,761,986	3,111,849
Notes receivable from participants	<u>740,709</u>	<u>716,193</u>
	<u>\$ 25,882,889</u>	<u>\$ 22,760,266</u>
Investment income:	<u>2019</u>	<u>2018</u>
Net appreciation/(depreciation) in fair value of investments	\$ 3,883,446	\$ (1,499,358)
Dividends	396,049	428,458
Mutual fund rebate	50,214	51,400
Interest income on notes receivable from participants	<u>35,853</u>	<u>29,469</u>
	<u>\$ 4,365,562</u>	<u>\$ (990,031)</u>

During 2019 and 2018, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the years) appreciated/(depreciated) in value by \$3,883,446 and (\$1,499,358), respectively.

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

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NOTE 7 COMMON AND COLLECTIVE FUND

The Plan has a non-fully benefit-responsive common and collective fund with Wells Fargo Bank that is operated as a stable return fund. Wells Fargo Bank maintains Plan contributions in an unallocated account which is part of the general assets of Wells Fargo Bank. The fund is included in the financial statements at fair value as reported to the Plan by Wells Fargo Bank at December 31, 2019 and 2018. The fund is credited with contributions made under the fund, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investments at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the fund at December 31, 2019 and 2018 was \$2,761,986 and \$3,111,849, respectively. The crediting interest rate was 1.97% at December 31, 2019 and 2.06% at December 31, 2018. The crediting interest rate is based on the rate in effect when money is deposited in the account.

NOTE 8 FAIR VALUE MEASUREMENT

The Plan's investments are reported at fair value in the accompanying statements of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

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The fair value of the interest in the mutual funds is based on the closing price reported in the active market where the individual securities are traded, when available and is classified as Level 1 investments.

The common and collective fund operates as a stable return fund. The fund is valued on the basis of the relative interest of each participating investor in the fair value of the underlying assets of each of the respective common collective trusts. The values of the underlying investments are observable, and accordingly, the investments are classified as Level 2.

The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are used only when Level 1 or Level 2 inputs are not available.

Financial assets carried at fair value at December 31, 2019 are classified below in one of the three categories described above. The table below presents the balances of assets measured at fair value on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Mutual funds	\$ 22,380,194	\$ -	\$ -	\$ 22,380,194
Common and collective fund	-	2,761,986	-	2,761,986
	<u>\$ 22,380,194</u>	<u>\$ 2,761,986</u>	<u>\$ -</u>	<u>\$ 25,142,180</u>

Financial assets carried at fair value at December 31, 2018 are classified below in one of the three categories described above. The table below presents the balances of assets measured at fair value on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Mutual funds	\$ 18,932,224	\$ -	\$ -	\$ 18,932,224
Common and collective fund	-	3,111,849	-	3,111,849
	<u>\$ 18,932,224</u>	<u>\$ 3,111,849</u>	<u>\$ -</u>	<u>\$ 22,044,073</u>

NOTE 9 RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

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in the near term and that such changes could materially affect participants account balances and the amounts reported in the statement of net assets available for benefits.

NOTE 10 RELATED PARTY TRANSACTIONS

Certain Plan investments include a common and collective fund and shares of money market funds managed by Wells Fargo. Wells Fargo is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Administrative fees incurred by the Plan to the Trustee totaled \$52,680 and \$53,312 for the years ended December 31, 2019 and 2018, respectively. The Company also pays certain administrative fees of the Plan, which are not reimbursed. In addition, the Company provides administrative services to the Plan at no cost to the Plan.

NOTE 11 SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through June 8, 2020, the date which the financial statements were available to be issued.

As a result of the spread of the COVID-19 Coronavirus and the resulting health orders, operations may be significantly impacted during 2020. Participants and the amount of contributions may be reduced but we cannot quantify this potential impact.

Subsequent to December 31, 2019, the stock market experienced a significant decline in value due to the impact of the Covid-19 Coronavirus. As of June 8, 2020, the Dow Jones Industrial Average declined 3.70% since December 31, 2019. It is estimated that the Plan's investments declined by approximately 5%, or approximately \$1.1 million, as of May 31, 2020. The Company will continue to monitor its investments as it has successfully done in the past, but has no immediate plans to change its investment portfolio.

SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT THE END OF YEAR)
DECEMBER 31, 2019

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Plan Sponsor's EIN: 33-0107636
Plan Number: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
*	WF Dow Jones Target 2025-R4 #4605	Mutual fund	**	\$ 4,699,715
*	WF Dow Jones Target 2040-R4 #4608	Mutual fund	**	3,950,210
*	WF Stable Return Fund N35	Common and collective funds	**	2,761,986
	Janus Henderson Enterprise- T #1050		**	1,874,302
*	WF Dow Jones Target 2030-R4 #4606		**	1,469,526
*	WF Dow Jones Target Today-R4 #4601		**	1,245,951
*	WF Index Fund-Admin #88	Mutual fund	**	1,088,471
	Artisan Mid Cap Fund #962	Mutual fund	**	1,050,870
*	WF Dow Jones Targ 2050-R4 #4610	Mutual fund	**	1,011,898
*	WF Dow Jones Target 2035-R4 #4607	Mutual fund	**	901,432
	Mainstay L/C Growth FD CL-RI #1484	Mutual fund	**	761,533
*	WF Dow Jones Target 2020-R4 #4604	Mutual fund	**	650,199
*	WF Dow Jones Target 2045-R4 #4609	Mutual fund	**	619,140
	Goldman Sachs Mid Cap Value-I #864	Mutual fund	**	478,882
	MFS Value Fund Class-A #93	Mutual fund	**	354,129
	BNYM Insight Core Plus-A	Mutual fund	**	307,898
	Invesco Small Cap Grwth FD-A #1564	Mutual fund	**	303,727
*	WF Dow Jones Targ 2055-R4 #461	Mutual fund	**	270,264
*	WF Small Company Value-A #1815	Mutual fund	**	235,638
*	WF Govt Securities - ADM #3708	Mutual fund	**	224,935
*	WF Dow Jones Targ 2015-R4 #4603	Mutual fund	**	218,596

See accompanying independent auditor's report

SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT THE END OF YEAR)
DECEMBER 31, 2019

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Plan Sponsor's EIN: 33-0107636
Plan Number: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
	Goldman Sachs Small Cap Value I #651	Mutual fund	**	202,157
	American Europac Growth - R4 #2416	Mutual fund	**	172,459
	American Century Intl Growth-Adv #741	Mutual fund	**	73,258
*	WF Dow Jones Targ 2060-R4	Mutual fund	**	65,918
	American Growth FD of Amer-R4 #2405	Mutual fund	**	61,305
*	WF Dow Jones Targ 2010-R4 #4602	Mutual fund	**	55,398
*	WF Special M/C Value ADM #3704	Mutual fund	**	19,360
	Hotchikis & Wiley M/C Val CL-A #1069	Mutual fund	**	13,023
				<u>\$ 25,142,180</u>

* Indicates an identified person known to be a party-in-interest to the Plan.

** Cost has been omitted as investment is participant directed.

See accompanying independent auditor's report

SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT THE END OF YEAR)
DECEMBER 31, 2019

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Plan Sponsor's EIN: 33-0107636
Plan Number: 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
*	Notes receivable from participants	Various maturity dates Interest rate 3.75% - 8.25%	**	\$ 740,709

* Indicates an identified person known to be a party-in-interest to the Plan.

** Cost has been omitted as investment is participant directed.

See accompanying independent auditor's report

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

TO: Board of Directors

FROM: Clifford “Rip” Rippetoe, President & CEO

DATE: For the Agenda of June 23, 2020

RE: Authorization to Accept San Diego Tourism Authority “Program of Work”

BACKGROUND

The San Diego Convention Center Corporation (“Corporation”) entered into a services contract with the San Diego Tourism Authority (“SDTA”) on July 1, 2017, to provide long-term sales and marketing services for a five-year term, expiring on June 30, 2022. Pursuant to the terms of that agreement, the Tourism Authority is required to provide Corporation with an Annual Program of Work at the beginning of each fiscal year of the contract. The purpose of the Program of Work is to clearly define SDTA’s annual sales booking goals for each given year, marketing budget and expenses, as well as the tactics and strategies that they will undertake to achieve the required goal.

DISCUSSION

The Corporation and SDTA staff have worked collaboratively on the attached Program of Work for Fiscal Year 2021. Items of note outlined in the document include the following:

1. The defined annual booking goal of 900,000 hotel room nights, which is consistent with the goal of the previous fiscal year.
2. A Detailed marketing budget and expenditures that the SDTA has earmarked for Citywide Sales for the fiscal year, which total. It is important to note that the City has in year’s past provided to the Corporation approximately \$2,000,000 as a “pass through” to SDTA to help fund the long-term sales and marketing effort. For FY21, the City had eliminated this payment to the Corporation. Recognizing the importance and necessity for a continued long-term sales effort, the Corporation has committed to provide SDTA with \$1,000,000 from its budget to partially fund this program, and has agreed to provide additional funding to SDTA for this effort if those funds become available to the Corporation at a later date in FY21.

3. A detailed outlined of the key actions and marketing strategies that the SDTA will initiate to ensure that the booking goal of 900,000 room nights is achieved.

Additionally, the Program of Work also includes an executive summary, the sales staff deployment and defined roles, and a listing of all sales related activities in which the team will participate to generate business opportunities and meet their booking goals.

STAFF RECOMMENDATION

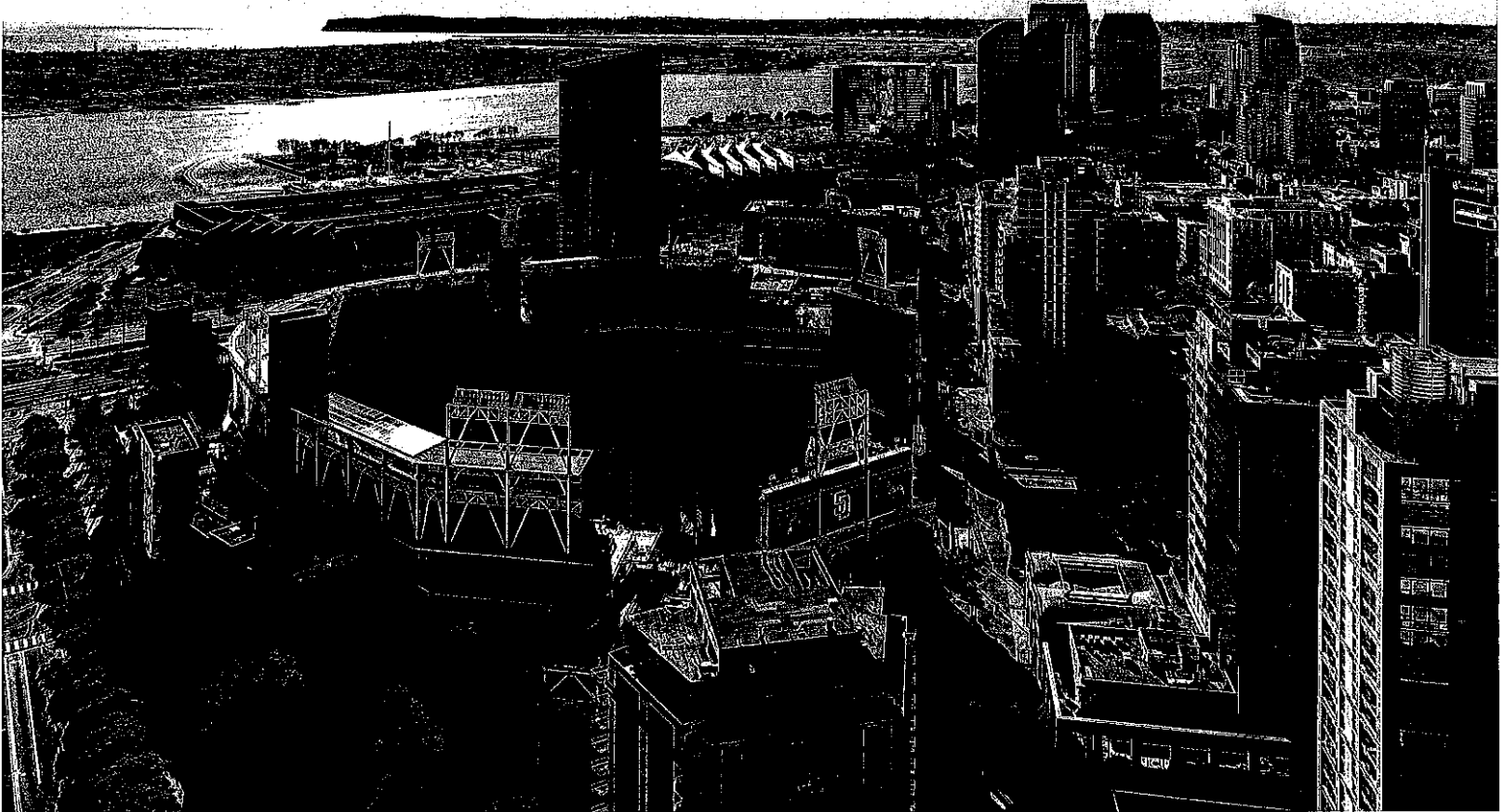
Based on the attached draft version of the Program of Work meeting the required criteria for SDTA, Staff recommends that the attached San Diego Tourism Authority Program of Work be accepted, and that the Board of Directors authorize its approval for Fiscal Year 2021.

/s/ _____

Clifford "Rip" Rippetoe
President & CEO

SDTA CITYWIDE SALES FY 2021 ANNUAL PROGRAM OF WORK

SAN DIEGO CONVENTION CENTER CORPORATION



SECTIONS:

- Executive Summary
- Deployment Outline
- Line Item Budget for FY 2021
- Overview of Unified Travel, Tradeshow, and Sales Trips

Updated June 16, 2020



EXECUTIVE SUMMARY FY 2021

The San Diego Tourism Authority Citywide Sales Team objectives are:

- Generate hotel room nights for the destination
- Produce economic benefit to the region
- Maximize operating revenue for the Convention Center

The room night booking goal is directionally set at 900,000 room nights for fiscal year 2021. There is an expectation that a favorable decision on the proposed expansion of the Convention Center may affect both the FY 2021 goal as well as goals going forward, as the sales team adjusts to the potential timing of a future expansion and modernization of the Facility.

The Annual Program of Work focuses around filling the existing San Diego Convention Center space with the most lucrative business possible. The Citywide Sales Team is dedicated experienced and maintain excellent relations with the key Citywide clients. Working closely with the Hotel Meetings and the San Diego Tourism Authority Marketing staff, we leverage our relationships and sales efforts to benefit the entire community. In addition to the room night goal, the Citywide Sales Team is projecting to contract \$8.25 per room night in rental revenue for the Center. This figure is based on an average for the last three fiscal years, dating back to FY 2017. This would generate \$7,425,000 in rental revenue for the Convention Center from the projected fiscal 2021 room nights. Additionally, these bookings will result in substantial incremental ancillary revenues for the Center through Food & Beverage (CenterPlate), Audio Visual (On-Site), and Telecom & Internet services (SmartCity).

The Citywide Sales Team has booked over 1 million room nights in each of the last five fiscal years. Primary dates and space are now at a premium and our Team is focused on filling the remaining space, much of which falls over holidays and off-peak dates. Our strategy following these very successful years includes:

- Focusing on the open dates within the next ten years. The success of each year is largely dependent upon the groups that book between the large Citywide conventions which are already confirmed. Using our existing database, we are matching the open dates with accounts that will generate the most room nights and revenue from the remaining space. In addition, we continue to work with the local Hotel community to prepare for the Gaylord and Manchester projects coming into the market over the course of the next several years.
- We are reviewing the space needs of definite business to potentially reduce the space held by those contracted groups, which in turn will free up space in the Center for additional booking opportunities within the next five years.
- Focusing on the large premium accounts, including the most lucrative Medical Citywides, that book further out into the future will continue to be a key part of our strategy. This critical market segment will remain a key focus of the Citywide Sales Team. We are focused on negotiating multiyear contracts in order to protect these clients from competitive targeting as other cities have already expanded and modernized their buildings. Key competitors like San Francisco, Anaheim, Seattle, Las Vegas, Los Angeles and Boston are all trying to penetrate this lucrative market.
- Develop new accounts that will book into the San Diego Convention Center. Actively promote and market San Diego at tradeshows and events in key markets such as Washington DC, and Chicago, in an effort to attract new citywide clients to the destination. Ensure our tradeshows are interactive and that our client events include valuable selling opportunities for our partners. PCMA Convening Leaders, which is one of the premier client events for the convention market, will take place in Houston, TX in January of 2021, and will provide us an excellent opportunity to increase our market share. In addition, we will continue to utilize resources such as the MINT database, Top Medical Meetings, Tradeshow Executive database, and Competition calendars to find new accounts.

- If the expansion should be approved in the March 2020 election, our collective SDCC and SDTA marketing efforts will be targeted to attract the groups that currently are too large for the existing space, along with groups that can be added over and between the existing business. It is anticipated that with expansion the building will be able to produce approximately 380,000 additional room nights in the mature year, according to the HVS Expansion Projections. In the event an expansion of the Center does move forward, both the SDTA and SDCC teams will be focused on managing the impact the expansion construction will have on definite events as well as new booking opportunities. The Sales Team would be the first point of contact to manage through the following issues:
- Conventions that are booked over the potential construction dates will be provided with regular updates on the construction schedule, with both SDTA and SDCC staff working closely with those clients to adjust their space usage in an attempt to mitigate the impact any construction will have on their event.
- Conventions booked beyond the dates of the planned completion of the expansion will need to be reconfigured in the newly expanded Center, to ensure we maximize the remaining space and allow for additional booking opportunities.
- Booking Guidelines, Booking Goals, and selling strategies will be updated and revised to account for the expanded space, to ensure that convention center booking activity is maximizing room night and revenue opportunities for the destination.

For example, pending the final design of the expanded facility, the following updates will be made to the existing Booking Guidelines:

Current Full Building 5,000 peak rooms required
Expansion 7,000 peak rooms required

Expansion Exhibit space:		Ballroom and Meeting space:
D-H (500k sq ft)	5,000 peak	20-33 and 2.20-3.3
(78 breakouts, ballroom 20 and new 80k sq ft expansion ballroom)		
A-C (249k sq ft)	2,000 peak	1-19 and 2.1-2.19
(45 breakouts and ballroom 6)		

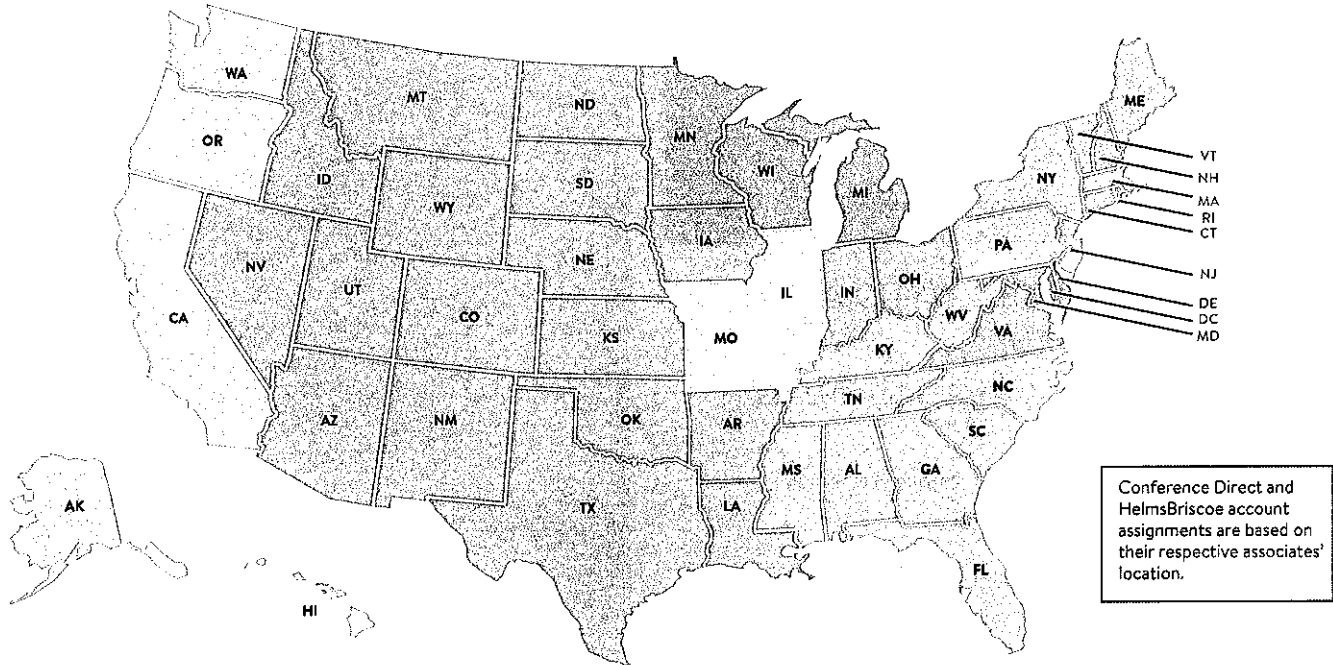
OR

A-C, (249k sq ft)	2,000 peak	1-19 and 2.1-2.19
(45 breakouts and ballroom 6)		
D-F, (261k sq ft)	2,500 peak	20-33
(37 breakouts and ballroom 20)		
G-H, (237k sq ft)	2,500 peak	2.20-3.3
(41 breakouts and the new 80k sq ft ballroom)		

- We will communicate and collaborate extensively with customers who are looking to potentially book events at the Center during the planned construction project, to ensure that we continue to maximize short term booking opportunities over the next five (5) years. In previous years when the expansion was tentatively planned, customers were reluctant to commit to dates over which the construction would potentially be taking place. As a result of that very legitimate client concern, the SDCC and SDTA teams will collaboratively work on sales strategies based on the specifics needs and concerns of each potential new client.

Included in the Annual Program of Work is the Citywide Sales Team line item budget, deployment outline, and an overview of the unified travel and tradeshows.

CITYWIDE DEPLOYMENT OUTLINE



WEST COAST OFFICE



Rick Outcalt
Senior Vice President
of Citywide Sales
routcalt@sandiego.org
(619) 557-2851



Anne Hartley
National Sales Director
ahartley@sandiego.org
(619) 557-2872
Sales Territories:
AK, CA, OR, WA



Dave Matta
National Sales Director
dmatta@sandiego.org
(619) 557-2871
Sales Territories:
AL, CT, FL, GA, KY, MA,
ME, MS, NH, NJ, NY, NC, PA, RI, SC, TN, VT,
WV, International

Omaira Goodwin
West Coast Coordinator
ogoodwin@sandiego.org
(619) 557-2873

MIDWEST OFFICE



Angie Ranalli
Vice President of Sales –
Midwest Region
aranalli@sandiego.org
(312) 943-5399
Sales Territories:
IL, MO, Maritz/Experient OH



Maria Andriola
National Sales Director
mandriola@sandiego.org
(312) 943-5399
Sales Territories:
AR, AZ, CO, HI, IA, ID, IN,
KS, LA, MI, MN, MT, NE, ND, NM, NV, OH,
OK, SD, TX, UT, WI, WY

Bailey Bollinger
Midwest & East Coast Coordinator
bbollinger@sandiego.org
(312) 943-5399

EAST COAST OFFICE



Phyllis Azama
Vice President of Sales –
Eastern Region
pazama@sandiego.org
(703) 647-6881
Sales Territories:
DE, MD, VA, DC

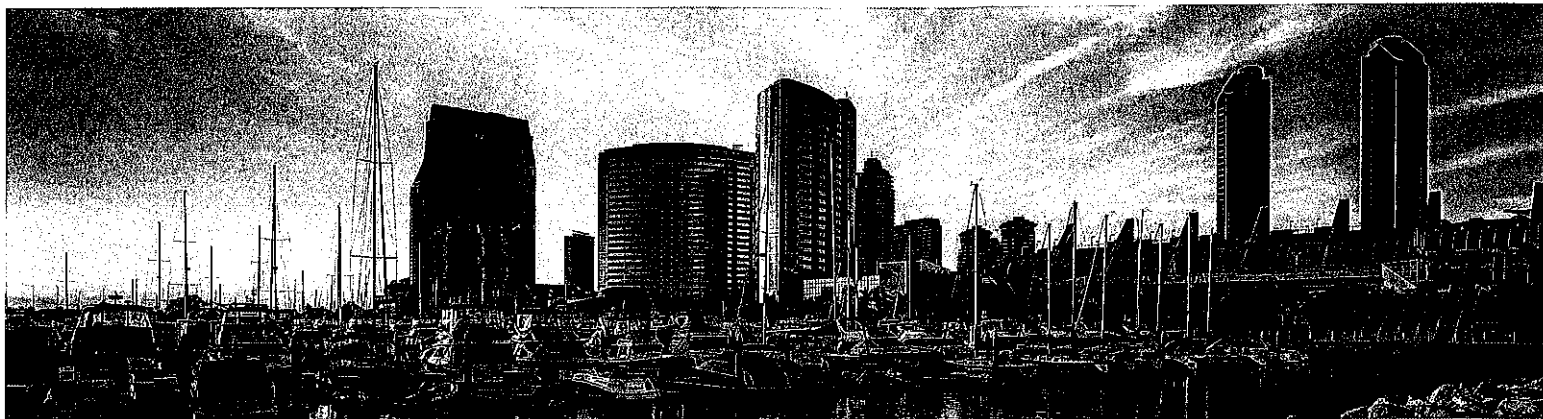


Damara Gomez
National Sales Director
dgomez@sandiego.org
(703) 647-6883
Sales Territories:
DE, MD, VA, DC



Lynn Whitehead
National Sales Director
lwhitehead@sandiego.org
(703) 647-6882
Sales Territories:
DE, MD, VA, DC

Joanne Matteucci
Revenue Management
& East Coast Coordinator
jmatteucci@sandiego.org
(619) 557-2876



EVENT EXHIBIT BUDGET - WEST/SAN DIEGO

FY21 Event/Tradeshow Cost Analysis

as of 6/12/2020 - ESTIMATES ONLY

Description	Month	Total Event Expense	Target Number of Partners	CO-OP FEES		EXPENSES PAID BY		Net	Notes
				Estimated Fee per Partner	Total Fees Collected	Events	Hotel Sales Dept 102-01 Acct 60405		
ASAE Annual*	August	23,000	5	2,500	12,500	12,500			1 hotel sales/2 citywide
IMEX America*	September	158,000	21	4,500	94,500	94,500			3 hotel sales/2 citywide
DC Client Event**	November	28,125	15	1,875	28,125	28,125			- 2 hotel sales/4 citywide
Holiday Showcase and Breakfast**	December	14,700	6	2,450	14,700	14,700			- 1 hotel sales/2 citywide
Chicago Holiday Breakfast**	December	11,250	15	750	11,250	11,250			- 1 hotel sales/2 citywide
Cubs Rooftop Client Event	April	41,000	6	6,000	36,000	36,000	2,500	2,500	- 1 hotel sales/2 citywide
					<u>197,075</u>	<u>197,075</u>	<u>2,500</u>	<u>2,500</u>	

*NOTE: ASAE and IMEX were cancelled this year. Refunds expected for ASAE. IMEX was not paid, N/A refund.

**PENDING: November, December events/tradeshows.

NOTES & ASSUMPTIONS

- Health insurance rate increases assumed at 10% upon annual renewal of policies
- No extension will be sought for Alexandria office lease that expires on May 31, 2020
- Office rent and phone expenses in Chicago offices were split 25% to Hotel Mtg Sales and 75% to Citywide Sales
- Cell phone allowances and parking in remote offices are direct costs based on individual employees.
- Parking charge reflected under San Diego office rent represents annual cost of the monthly parking pass for the VP, 2 Sales Managers and CEO at the San Diego Convention Center.
- The budget summary presented includes no allocations of SDTA overhead costs (ie. Accounting, HR, IT, Executive Management, San Diego office rent)



OVERVIEW OF UNIFIED TRAVEL, TRADESHOWS, AND SALES TRIPS

Revised June 16, 2020

CITYWIDE AND HOTEL MEETINGS EVENTS BY MONTH:

PCMA Board Meeting

September 2020

Angie Ranalli

Association Forum Holiday Showcase

Review in September 2020, updated to increase safety

Annual Butch McGuire's Holiday Breakfast 28th year

December 2020

Chicago, IL

Angie Ranalli

Maria Andriola

Rick Outcalt

Hotel Meetings Team

TARGET: One of our SDTA Signature Events in Chicago, that attracts the top Association, Intermediary and Corporate planners from the area.

PCMA Convening Leaders Annual Meeting

January 10-13, 2021

Houston, TX

Angie Ranalli

Phyllis Azama

Lynn Whitehead

Damara Gomez

Maria Andriola

Dave Matta

Anne Hartley

Rick Outcalt

Hotel Meetings Team

TARGET: PCMA has more than 7,000 members and an audience of more than 50,000 individuals, PCMA is the world's largest network of Business Events Strategists. Our entire team attends the event due to the attendance from all over the country.

PCMA Board Meeting

January 9-10, 2021

Houston, TX

Angie Ranalli

Destination Showcase with PCMA

February 2021

Washington, DC

Phyllis Bradley Azama

Hotel Meetings Team

TARGET: This one-day event offers Destination International (Association of CVB's) members the opportunity to connect with the DC/VA/MD planners.

MPI NCC Annual Conference & Expo

February 2021

San Francisco, CA

Anne Hartley

Hotel Meetings Team

TARGET: Meeting Planners International Northern California Chapter is an event that attracts the companies and planners in this key market.

Conference Direct Annual Meeting / Paid for in FY 2020

March 2021

Rick Outcalt

Hotel Meetings Team

TARGET: CD is one of the top producing Intermediaries, the entire CD team from around the country attend this event.

Annual Cubs Opener Client Event / Paid for in FY 2020

March 2021

Angie Ranalli

Maria Andriola

Rick Outcalt

Hotel Meetings Team

TARGET: A SDTA Signature Event that attracts 100-150 Association, Corporate and Intermediary planners to watch the important opening game of the Cubs Baseball Season.

Midwest Roadshow Minneapolis

April 2021

Maria Andriola

Hotel Meetings Team

TARGET: Accounts based in Midwest states outside of Illinois.

**CITYWIDE AND HOTEL MEETINGS EVENTS
BY MONTH (CONTINUED):**

Midwest Roadshow Indianapolis

April 2021

Maria Andriola
Hotel Meetings Team

Xperience Design Project in DC

April 2021

Gaylord National, DC

Phyllis Azama
Damara Gomez
Lynn Whitehead
Hotel Meetings Team

TARGET: XDP is a two-day, business-focused experience for association professionals and partners.

PCMA Spring Board Meeting

May 2021

Washington DC

Angie Ranalli

PCMA Visionary Awards

May 2021

Washington DC

Angie Ranalli
Phyllis Bradley
Lynn Whitehead
Damara Gomez
Hotel Meetings Team

TARGET: This event attracts the top planners from around the country to award their peers and raise money for the PCMA Foundation.

PCMA Education Conference

June 2021

Angie Ranalli (complimentary registration due to her Foundation Chair position)

TARGET: Meeting rotates around the country attracting members primarily from that area, we send our Sales Managers that handle the surrounding area.

PCMA Partnership Summit

June 2021

Angie Ranalli

TARGET: The top destinations in the country attract the highest producing clients to an intimate meeting.

Northeast Road Show

Spring 2021

NY, Boston, Philadelphia

Dave Matta
Hotel Meetings Team

TARGET: Accounts located in the Northeast, including Corporate, Intermediary and Association.

**SUMMARY OF IN-MARKET MEETINGS,
RECEPTIONS, EVENTS:**

CHICAGO MARKETPLACE

Summary of in market meetings, receptions, and events:

GMC-PCMA

- Quarterly Education Meetings
- Annual Awards Gala
- Chapter Reception at PCMA Convening Leaders

Destination Rep Quarterly Meetings @ ABA, ADA, SmithBucklin

- AF CEO Reception

Association Forum

- CEO Reception
- Educational Meetings
- Annual Gala

MPI Great Lakes

- Education Summit

MPI CAC

- Quarterly Education Events

SITE

- Chicago receptions

IAEE

- Quarterly Education Events

AHA Annual Vendor Meeting

Annual SmithBucklin Vendor Meeting

SWAP Client Events

**SUMMARY OF IN-MARKET MEETINGS,
RECEPTIONS, EVENTS:**

WASHINGTON DC/VA/MD MARKETPLACE

Summary of in market meetings, receptions, and events:

Ongoing

Sales calls and presentations

Experient; IMN; and Smith Bucklin

Presentations once per year, usually in November

PCMA

- Chapter reception at annual meeting
- Quarterly chapter meetings and receptions and special events
- Chapter's annual meeting in November
- Chapter committee meetings
- National Committee task force meetings

ASAE

- Quarterly education meetings and/or networking receptions

IAEE

- Monthly chapter education and networking luncheons

CVB Reps

- Every other monthly meetings and receptions on Zoom
- Summer client reception

Reston/Herndon Meeting Planners

- Yearly presentation at breakfast or lunch

Industry Social events

- Book club

**SUMMARY OF IN-MARKET MEETINGS,
RECEPTIONS, EVENTS:**

HOTEL MEETINGS TEAM EVENTS

Discussions on-going on the most effective ways back into market:

CalSAE

December 2020

Sacramento, CA

Los Angeles Client Event

January 2021

Los Angeles area, CA

RCMA Emerge Conference

February 2021

MIC Colorado

March 2021

Denver, CO

Texas Road Show

Spring 2021

Dallas and Houston, TX

Arizona Client Event

Spring 2021

Phoenix area

Agenda Item 3.E.2

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

TO: Board of Directors

FROM: Clifford “Rip” Rippetoe, President & CEO

DATE: For the Agenda of June 23, 2020

RE: Authorization to Amend payment to San Diego Tourism Authority for Long-Term Sales & Marketing support.

BACKGROUND

The San Diego Convention Center Corporation (“Corporation”) entered into a services contract with the San Diego Tourism Authority (“SDTA”) on July 1, 2017, to provide long-term sales and marketing services for a five-year term, expiring on June 30, 2022. Pursuant to the terms of that agreement, the Corporation is required to provide payment to the SDTA for such services. For FY21, the payment was originally budgeted to be \$2,186,350.

DISCUSSION

The continuation of this Contract is contingent upon the appropriation of funds by the City and the receipt of such funds by the Corporation. For FY21, the City eliminated funding the long-term sales and marketing efforts for the general fund budget. The Corporation recognizes the importance of a continued long-term sales presence to help ensure the future financial viability of the Convention Center. Based on anticipated lost revenue for FY21 of 50%, Corporation decreased budgetary funding for these efforts to \$1,093,175 payable to SDTA with the caveat that Corporation will give budget priority to fund up to the remaining balance based on the following conditions:

- Projected FY21 minimum reserve balance is met, and
- Projected FY22 minimum reserve balance is substantially solvent

Corporation will evaluate budget, regional market conditions and event activity throughout the year and will work closely with SDTA to provide an update on forecast for additional funding.

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize the amended payment amount by the Corporation to SDTA of \$1,093,175 as outlined above.

/s/ _____
Clifford "Rip" Rippetoe
President & CEO



CONTACT: Andy Mikschl, *Vice President, Sales & Services, San Diego Convention Center*
 Andy.mikschl@visitsandiego.com | 111 West Harbor Dr., San Diego, CA 92101
 619.525.5282

SHORT TERM BOOKING ACTIVITY

Conventions, Corporate Events, Consumer Shows, Community Events, & Local Meetings

		FY20 MAY 2020	FY19 MAY 2019	CUMULATIVE FYTD 2020	CUMULATIVE FYTD 2019
EVENTS	EVENTS	3	10	79	97
	ATTENDANCE	11,500	22,990	157,209	326,605
	ROOM NIGHTS	150	3,425	25,519	34,641
	RENTAL REVENUE	\$56,600	\$230,145	\$1,817,432	\$2,465,240

FY20 PERCENT TO GOAL

Convention Center Rental Revenue

	GOAL	YTD	PERCENT TO GOAL
CONTRACTED RENTAL REVENUE	2,600,000	\$1,817,432	69.9%

CONTRACTED SHORT TERM EVENTS/ MAY 2020

EVENT NAME	EVENT DATES		PROJECTED ATTENDANCE	PEAK ROOMS	ROOM NIGHTS	RENTAL
Gujarati Cultural Dance 2021	09/25/21	09/25/21	1,000	0	0	\$5,400
IEA 2021 Conference	10/05/21	10/06/21	500	0	0	\$14,400
Fit Expo San Diego	11/20/21	11/21/21	10,000	50	150	\$36,800
TOTAL			11,500	50	150	\$56,600

CONTRACTED SHORT TERM EVENTS FYTD

EVENT NAME	EVENT DATES	PROJECTED ATTENDANCE	PEAK ROOMS	ROOM NIGHTS	RENTAL
Eid UL-Adha Prayer Service	08/13/19	4,500	0	0	\$10,965
Dragon Ball	09/15/19	600	0	0	\$7,350
VGM OPGA Reception	09/25/19	200	0	0	\$ 1,725
National Cooperative	10/21/19	75	0	0	\$1,150
Cal Western School of Law	04/20/20	2,300	0	0	\$12,525
San Diego Start Up Week	05/30/20	3,000	0	0	\$19,552
Navy Gold Coast	09/02/20	1,500	136	325	\$51,600
Shamrock Expo	09/02/20	1,600	300	340	\$24,000
Guajarati Cultural Dance	10/25/20	1,000	0	0	\$4,900
San Diego Travel & Adventure Show	01/20/21	10,000	80	226	\$31,320
National Demolition Association	03/02/22	1,500	450	1,829	\$62,700
Donor Drive ICW	09/28/19	15	0	0	\$1,150
Energy Utility & Environment Conf.	10/02/19	100	0	0	\$2,300
AMVAC Environmental	10/17/19	12	0	0	\$575
Pokémon	12/08/19	900	0	0	\$14,800
Assoc. of Radiation Oncology Program	02/26/20	50	0	0	\$575
BPI West	03/19/21	400	250	720	\$63,925
Advanced Auto Battery Conference	07/01/21	750	260	1,120	\$37,325
Cardinal Professional Products	10/17/19	10	0	0	\$575
World System Builder	11/09/19	3,500	0	0	\$16,400
Central California Spirit Championship	03/14/20	2,500	0	0	\$15,075
2020 Women In Engineering International Leadership	05/18/20	1,000	163	430	\$43,450
Girl Scouts San Diego	08/29/20	650	0	0	\$15,400
Industrial Environmental Association	09/30/20	500	0	0	\$14,400
Aloha San Diego	02/20/21	2,500	60	65	\$13,600
Western Turbine Users Inc.	03/13/23	1,200	680	2,173	\$56,800

CONTRACTED SHORT TERM EVENTS FYTD(cont.)

EVENT NAME	EVENT DATES	PROJECTED ATTENDANCE	PEAK ROOMS	ROOM NIGHTS	RENTAL
TechMed3D	09/25/19	100	0	0	\$1,150
Syngenta Customer Meetings	10/15/19	30	0	0	\$1,725
Beautiful Dying Expo 2019	11/01/19	950	0	0	\$3,450
An Evening with Dr. Zahi Hawass	05/06/20	2,000	0	0	\$8,200
San Diego Fall Home Show 2020	08/20/20	5,000	0	0	\$24,600
Bridal Bazaar 2021	01/15/21	4,000	0	0	\$24,000
BPI West 2022/Knect 365 US Inc.	03/13/22	400	245	770	\$66,600
9minute Solar ICW Energy Storage	11/06/19	25	0	0	\$575
November Project	11/08/19	100	0	0	\$1,500
WIN Reality Demos	12/09/19	100	0	0	\$1,725
Financial Management Transformation	02/11/20	300	150	450	\$14,950
Advanced Technology Intl	03/05/20	500	0	0	\$7,200
Functional Food Center	08/29/20	950	0	0	\$3,600
Taking Care of Your Diabetes	10/30/21	1,500	0	0	\$26,950
Limbs & Things I/Simulation In Healthcare	01/18/20	15	0	0	\$575
Ultimate Photography Crash Course	02/12/20	300	0	0	\$3,240
Star/Pal Celebrity Luncheon	04/30/20	500	0	0	\$5,400
DigitalBGA	04/30/20	270	0	0	\$8,050
CA Peace Officers Association	09/13/20	1,200	284	902	\$32,000
South County Economic Development	10/01/20	500	0	0	\$7,200
Energy Storage North America	11/08/20	2,000	430	1,440	\$36,160
Oceanology International Americas 2021	02/13/21	2,500	100	450	\$44,100
Sharp Healthcare Employee Meeting	04/05/21	14,000	0	0	\$107,750
CA ED Tech Professionals Assn./CITE 2024	11/18/24	1,500	925	2,660	\$45,250

CONTRACTED SHORT TERM EVENTS FYTD(cont.)

EVENT NAME	EVENT DATES	PROJECTED ATTENDANCE	PEAK ROOMS	ROOM NIGHTS	RENTAL
San Diego Symphony Season Reveal Event	02/08/20	100	0	0	\$575
Univ. of Queensland Refractory Research ICW TMMS	02/26/20	30	0	0	\$575
TBA Parking Systems ICW Parking Expo	03/24/20	12	0	0	\$1,150
Flash Parking ICW Parking Expo	03/24/20	15	0	0	\$575
RP Strength RP Summit 2020	05/02/20	300	0	0	\$2,300
Roosevelt Dinner	06/20/20	1,200	0	0	\$10,950
San Diego & Imperial Counties Labor Council Dinner	08/30/20	1,000	0	0	\$21,600
Revolution Talent Competition 2021	02/21/21	700	0	0	\$29,400
Warrior Expo West 2022	04/14/22	5,000	290	945	\$56,200
Eid Ul-Fitr Prayer Service 2020/Islamic Center	05/24/20	4,500	0	0	\$10,800
Creative's Conference	08/29/20	50	0	0	\$1,150
Art San Diego 2020/Redwood Media Group	09/11/20	10,000	0	0	\$23,310
Square Enix/Final Fantasy XIV Fan Festival 2020	11/06/20	10,000	1,490	5,450	\$172,400
2021 Women In Engineering Intl Leadership	04/26/21	1,000	163	430	\$43,450
CA Bridal & Wedding Expo 2021	05/02/21	5,000	0	0	\$6,970
ASNE Fleet Maintenance Symposium	06/29/21	1,200	200	445	\$48,050
International Council of Shopping Centers 2021	09/01/21	4,000	700	1,670	\$110,100
Career Compass Real Estate Training	10/11/20	200	0	0	\$4,140
JIS Delivery San Diego 2020	11/15/20	2,500	150	450	\$24,600
San Diego Spring Home Show 2021	01/10/21	5,000	0	0	\$22,200
SD County Superintendent of Schools Equity Conference	01/20/21	1,500	60	120	\$41,150
Hyrox The World Series of Fitness	03/20/21	1,000	25	75	\$22,000
Starpower Talent Competition	05/09/21	1,000	15	45	\$24,600

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San Diego Convention Center Short Term Sales June 2020 Sales Activity Report

CONTRACTED SHORT TERM EVENTS FYTD(cont.)

EVENT NAME	EVENT DATES	PROJECTED ATTENDANCE	PEAK ROOMS	ROOM NIGHTS	RENTAL
Energy Utility & Environment Conference 2021	02/09/21	2,300	777	1,689	\$34,300
Spirit Invitational /Spirit Championship	04/17/21	3,000	75	150	\$32,000
San Diego National College Fair 2021	04/20/21	6,000	0	0	\$8,200
Gujarati Cultural Dance 2021	09/25/21	1,000	0	0	\$5,400
IEA 2021 Conference	10/05/21	500	0	0	\$14,400
Fit Expo San Diego	11/20/21	10,000	50	150	\$36,800
TOTAL		157,209	25,519		\$1,817,432



CONTACT: RICK OUTCALT *Senior Vice President Citywide Sales*
 routcalt@sandiego.org | 750 B Street, Suite 1500 San Diego / CA 92101
 DIR 619.557.2851 | TEL 619.232.3101

PRIMARY MARKET

Conventions, Trade Shows, Corporate & Incentive Events

DEFINITE		FY20 MAY 2020	FY19 MAY 2019	CUMULATIVE FYTD 2020	CUMULATIVE FYTD 2019
	CONVENTIONS	0	9	22	37
	ATTENDANCE	0	56,600	180,700	309,275
	ROOM NIGHTS	0	93,876	345,012	386,619

TENTATIVE		FY20 MAY 2020	FY19 MAY 2019	CUMULATIVE FYTD 2020	CUMULATIVE FYTD 2019
	CONVENTIONS	3	13	75	99
	ATTENDANCE	35,000	95,200	1,117,703	1,279,225
	ROOM NIGHTS	40,762	144,348	1,361,298	1,810,770

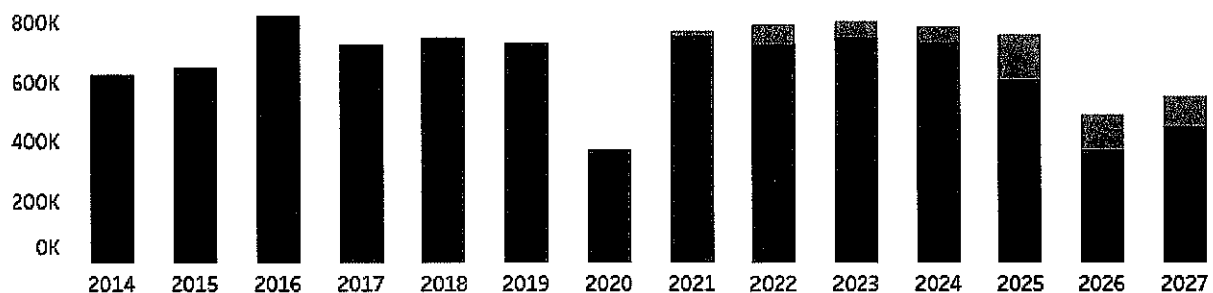
FY19 PERCENT TO GOAL FOR FUTURE BUSINESS

ROOM NIGHTS

	GOAL	YTD	PERCENT TO GOAL
FY19 PERCENT TO GOAL	900,000	345,012	38%

ROOM NIGHT SUMMARY

Figures based on calendar year.



Tentative Room Nights								19K	70K	53K	57K	149K	118K	103K
Definite Room Nights	624K	650K	819K	728K	746K	732K	376K	754K	725K	751K	730K	611K	374K	452K
Definite Conventions	51	49	48	43	43	57	31	53	50	41	35	24	20	21

BREAKDOWN OF LOST BUSINESS*Conventions, Trade Shows, Corporate & Incentive Events, MAY 2020*

MAY 2020 LOST REASONS	BOOKINGS	% TOTAL ROOM NIGHTS	TOTAL ROOM NIGHTS
NOT HAVING SPACE	1	0%	875
LOST TO ANOTHER DESTINATION	1	1%	1,500
NOT HAVING PREFERRED DATES	0	0%	0
DUE TO COST	0	0%	0
CHANGES IN THE ORGANIZATION	2	14%	27,697
COVID-19	9	85%	173,490
TOTAL	13	100%	203,562

SITE INSPECTIONS

- AMERICAN THORACIC SOCIETY (VIRTUAL TOUR)

CLIENT APPOINTMENTS

- AMERICAN VETERINARY MEDICAL ASSOCIATION
- ACADEMYHEALTH
- ALLERGAN
- ALZHEIMER'S ASSOCIATION
- AMERICAN ACADEMY OF ALLERGY ASTHMA & IMMUNOLOGY
- AMERICAN ACADEMY OF ORTHOPEDIC SURGEONS
- AMERICAN ACADEMY OF ORTHOPEDIC SURGEONS
- AMERICAN ACADEMY OF PEDIATRIC DENTISTRY
- AMERICAN ACADEMY OF PEDIATRICS
- AMERICAN ACADEMY OF PHYSICAL MEDICINE & REHABILITATION
- AMERICAN ASSOCIATION NURSE PRACTITIONERS
- AMERICAN ASSOCIATION OF NURSE ANESTHETISTS

CLIENT APPOINTMENTS cont

- AMERICAN COLLEGE OF ALLERGY ASTHMA & IMMUNOLOGY
- AMERICAN EDUCATIONAL RESEARCH ASSOCIATION
- AMERICAN FARM BUREAU FEDERATION
- AMERICAN HOSPITAL ASSOCIATION
- AMERICAN PHARMACISTS ASSOCIATION
- AMERICAN SOCIETY OF HEMATOLOGY
- AMERICAN SOCIETY OF HUMAN GENETICS
- AMERICAN SPEECH-LANGUAGE-HEARING ASSOCIATION
- AMERICAN TRAFFIC SAFETY SERVICES ASSOCIATION
- AMERICAN VETERINARY MEDICAL ASSOCIATION
- AMERICAN WATER WORKS ASSOCIATION
- AMEX/HARLEY-DAVIDSON
- AVID CENTER
- BIOMEDICAL ENGINEERING SOCIETY
- BIOTECHNOLOGY INNOVATION ASSOCIATION
- BUFFINI & COMPANY
- CARDINAL HEALTH

CLIENT APPOINTMENTS cont

- CITYWIDE LEADERSHIP CALL
- CLIENT YOGA BREAK
- CONFERENCE CALL-AAOS
- CONFERENCE DIRECT/CONSORTIUM OF MS CENTERS
- COUNCIL OF SUPPLY CHAIN MANAGEMENT
- DISTRIBUTECH
- ELLUCIAN
- ENDOCRINE SOCIETY
- GLOBAL BUSINESS TRAVEL ASSOCIATION
- HEALTHCARE INFORMATION & MANAGEMENT SYSTEMS SOCIETY
- HELMSBRISCOE
- HILTON GSO
- HYATT GSO
- INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE
- INTERNATIONAL ASSOCIATION OF MACHINISTS AEROSPACE WORKERS
- INTERSOLAR
- MARRIOTT HOTELS GSO
- MULTIMEDIA ANIMAL CARE LLC
- NATIONAL ASSOCIATION OF CHAIN DRUG STORES
- NATIONAL ASSOCIATION OF REALTORS
- NATIONAL SAFETY COUNCIL
- NATIONAL SCHOOL BOARDS ASSOCIATION
- NORTH AMERICAN SPINE SOCIETY
- OMNI GSO
- PCMA
- SMITHBUCKLIN
- SOCIETY FOR HUMAN RESOURCE MANAGEMENT
- SOCIETY FOR LABORATORY AUTOMATION AND SCREENING
- SOCIETY FOR NEUROSCIENCE
- SOCIETY OF GYNECOLOGICAL ONCOLOGISTS
- SOCIETY OF THORACIC SURGEONS
- SOCIETY OF TOXICOLOGY
- SOCIETY OF VASCULAR SURGEONS

CLIENT APPOINTMENTS cont

- SONIC / BCD M&E
- SPARGO INC
- SPIE
- TWITCH INTERACTIVE INC.

INDUSTRY APPOINTMENTS

- ASSOCIATION FORUM
- ASSOCIATION OF MEETING PROFESSIONALS : MEETING PROFESSIONALS & MENTAL WELLNESS
- ASSOCIATION OF MEETING PROFESSIONALS WEBINAR
- CITYWIDE LEADERSHIP MEETING
- CVB REPS MEETING
- DESTINATION INTERNATIONAL WEBINAR
- DESTINATION REPS MARKETING COMMITTEE
- IAEE - INTERNATIONAL ASSOCIATION OF EXHIBITION AND EVENTS : VIRTUAL LUNCH AND LEARN
- INDUSTRY ZOOM BOOK CLUB
- MEETING PLANNER ZOOM FOCUS GROUP
- ONPEAK
- PCMA BRAINDATES
- PCMA CAPITAL CHAPTER MEETING : 2020 LUNCH & LEARN - COVID-19 AND THE IMPACT ON EMPLOYMENT
- PCMA CAPITAL CHAPTER MEETING : VALUE OF VIRTUAL
- PCMA COMMUNITY CONVERSATIONS
- PCMA EXEC COMMITTEE MEETING
- PCMA FINANCE COMMITTEE MEETING
- PCMA GREATER MIDWEST CHAPTER LUNCH & LEARN: THE FUTURE OF EVENTS
- PCMA MILLION DOLLAR TASK FORCE
- PCMA WEBINAR : STAY RESILIENT - YOU CAN DO ANYTHING FOR A YEAR.
- PCMA: UPDATE YOUR SPONSORSHIP MODEL: MONETIZING LIVE & VIRTUAL EVENTS
- SKIFT: NON OBVIOUS VIRTUAL SUMMIT
- WASHINGTON POST: HILTON-CHRIS NASSETTA INTERVIEW

Agenda Item 3.F.1

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

TO: Board of Directors

FROM: Xema Jacobson, Compensation Ad Hoc Committee Member

DATE: For the Agenda of June 23, 2020

RE: Approval of a Resolution of the San Diego Convention Center Corporation, Inc. Approving the Second Amendment to the Amended and Restated Employment Agreement to Extend the Time to Negotiate Future Compensation with the President & CEO

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. After a positive performance evaluation, in March of 2020, the Board approved the First Amendment to extend the term of the Amended Agreement to 2027 and provide for a future negotiation of compensation terms.

DISCUSSION

Through recent performance evaluations, the Board has found that Rippetoe serves the Corporation well with fiscal prudence, innovation, and leadership on many projects. Pursuant to Rippetoe’s Amended Agreement, for July 1, 2019 through June 30, 2020, he is eligible for a one-time retentive incentive stipend in the amount of up to 10% of Rippetoe’s then current salary. Also, pursuant to the Amended Agreement, Rippetoe’s salary is scheduled to increase on July 1, 2020. However, due to the COVID-19 emergency and current fiscal conditions, the parties believe it is best to make the changes noted below.

The parties wish to provide for some changes to the Amended Agreement and First Amendment terms. The proposed revisions are in the attached Resolution and are as follows:

- mutual agreement to delay the negotiation and consideration of Rippetoe’s future compensation;
- Rippetoe may take thirty days of furlough in 2020 which is also being done by other management level employees to assist the Corporation during this fiscal crisis caused by COVID-19;

- Rippetoe shall not receive the retention incentive stipend described in Section 3(A)(2)(b) of the Amended Agreement that Rippetoe would be eligible for in June of 2020;
- Rippetoe shall not receive the Year 5 increase to base salary scheduled to take effect July 1, 2020 as specified in Section 3(A)(1)(a) of the Amended Agreement. Rippetoe's base salary shall remain at the level of base salary he is receiving as of June 30, 2020 until the parties mutually agree to an increase or until July 1, 2021 at which time the Year 6 salary adjustment specified in Section 3(A)(1)(a) of the Amended Agreement takes effect, whichever occurs sooner; and
- All other Amended Agreement and First Amendment provisions remain unchanged.

Further, the Resolution would authorize the Chair to appoint an ad hoc committee of the Board to review and negotiate the compensation for the remainder of the term of the Amended Agreement at a time when the Corporation's budget has stabilized so that the Corporation can fund salaries. The Chair of the Board shall revisit this issue with Rippetoe at least once every three months to mutually determine a good time to begin the negotiations. Any future changes to the Amended Agreement would be brought back to the Board for approval at a future Board meeting.

RECOMMENDATION

That the Board approve the Resolution.

_____/s/_____
Xema Jacobson
Ad Hoc Committee Chair

ATTACHMENT

1. Resolution of the San Diego Convention Center Corporation, Inc. Approving Second Amendment to the Amended and Restated Employment Agreement to Extend the Time to Negotiate Future Compensation with the President & CEO

Agenda Item 3.F.1

RESOLUTION NO. 2020-03

A RESOLUTION OF THE SAN DIEGO CONVENTION CENTER CORPORATION, INC. APPROVING THE SECOND AMENDMENT TO AMENDED AND RESTATED EMPLOYMENT AGREEMENT TO EXTEND THE TIME TO NEGOTIATE FUTURE COMPENSATION WITH THE PRESIDENT AND CEO

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 a two-year employment agreement; and

WHEREAS, the Corporation and Rippetoe entered into an Amended and Restated Employment Agreement on June 21, 2017 ("Amended Agreement") to extend the employment agreement to 2022; and

WHEREAS, in November of 2019 and March of 2020, the Board evaluated the performance of Rippetoe and found that he has performed in an exemplary manner. His recent performance evaluation concluded that he serves the Corporation well with fiscal prudence, innovation, and leadership on many projects; and

WHEREAS, the parties entered into the First Amendment to Amended and Restated Employment Agreement ("First Amendment") effective March 26, 2020 to extend the term of the Amended Agreement to June 30, 2027; provide for a reduction in compensation commensurate with any general Corporation-wide salary reduction in pay among management employees as specified in the First Amendment; and to provide for the parties to negotiate and consider a future amendment in June of 2020 related to all other compensation terms of Section 3 of the Amended Agreement through June 30, 2027; and

WHEREAS, due to the unprecedented COVID-19 pandemic and its far-reaching effects on Corporation, the parties now wish to temporarily postpone the negotiation of future compensation as specified in Section 3 of the First Amendment.

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 hereby finds that the compensation is just and reasonable based on its review of salaries of other comparable positions in the convention center and venue industry given the current circumstances and challenges that convention centers are facing due to COVID-19.

Section 2. The Board hereby approves and authorizes the Chair of the Board to execute the Second Amendment to Amended and Restated Employment Agreement ("Second Amendment") effective June 23, 2020 to document the revisions stated in this Resolution and the

Agenda Item 3.F.1

mutual agreement to delay the negotiation and consideration of Rippetoe's compensation as specified in Section 3 of the First Amendment. Further, the Chair is authorized to appoint an ad hoc committee of the Board to review and negotiate the compensation for the remainder of the term of the Amended Agreement at a time when the Corporation's budget has stabilized so that the Corporation can fund salaries. The Chair of the Board shall revisit this issue with Rippetoe at least once every three months to mutually determine a good time to begin the negotiations.

Section 3. Notwithstanding anything in the Amended Agreement or First Amendment to the contrary, Rippetoe may take thirty days of furlough in 2020 which is also being done by other management level employees to assist the Corporation during this fiscal crisis caused by COVID-19. Rippetoe is authorized to use accrued paid time off for the furlough time if desired and if allowed pursuant to applicable law.

Section 4. Section 2 of the First Amendment shall be superseded and replaced with the following provisions.

- Rippetoe shall not receive the retention incentive stipend described in Section 3(A)(2)(b) of the Amended Agreement that Rippetoe would be eligible for in June of 2020.
- Rippetoe shall not receive the Year 5 increase to base salary scheduled to take effect July 1, 2020 as specified in Section 3(A)(1)(a) of the Amended Agreement. Rippetoe's base salary shall remain at the level of base salary he is receiving as of June 30, 2020 until the parties mutually agree to an increase or until July 1, 2021 at which time the Year 6 salary adjustment specified in Section 3(A)(1)(a) of the Amended Agreement takes effect, whichever occurs sooner.

Section 5. Except as stated herein, all other terms of the Amended Agreement and First Amendment shall remain in full force in effect.

Section 6. This Resolution shall become effective immediately upon adoption.

PASSED, APPROVED and ADOPTED this 23rd day of June, 2020 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Jaymie Bradford, Board Chair

ATTEST:

Allan Farwell, Secretary of the Board

Agenda Item 5

SAN DIEGO CONVENTION CENTER CORPORATION MEMORANDUM

TO: Board of Directors

FROM: Rip Rippetoe, President & CEO

DATE: June 23, 2020

RE: President & Staff Report

Core Value: Courage – We will work together toward our goals, despite the presence of risk, uncertainty, or fear.

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

Executive:

- 48 events cancelled from March through August
There are 12 events in September which are moving toward mutual cancellation
- 6 events have rescheduled to dates later this year or early next year.

Human Resources:

HR is working closely with Mardeen to review our options on how to spend the dollars received through the Paycheck Protection Program (PPP) as it pertains to labor.

Some considerations being evaluated include:

- Consideration of reinstating the Pay in Lieu of Annual Leave program up through the end of the current fiscal year. Because of Paid Leave Laws we would only allow staff to buyout down to 80 hours. Restrictions as to how many times an employee can buyout annual leave would be removed for this buyout only.
- We have chosen to furlough team members with the mandate to use PTO down to a balance of 40 hours. The required days off would be between July 1 – December 31, 2020. The Corporation will still be paying for all unemployment in the fiscal year.
- Layoff of certain staff will occur.

Agenda Item 5

Since we fully anticipate laying off staff, as mentioned on a previous COOP call, WARN notices have been sent. We contacted union representatives to inform them of the impending layoffs and furloughs.

Target for furloughs, required PTO time off and layoffs remains targeted for July 1, 2020.

Reductions in the HR FY21 budget have been identified.

Looking beyond layoffs and furloughs, HR will work to reassign duties left behind by the elimination of two HR positions. Since we are not running programs and there is no classroom training, there have been temporary assignments made such as for Worker Compensation handling and GO1 Administration.

Finance:

- Retirement conversion planning, strategy and implementation plan:
 - In November 2019, an RFP was conducted for administrative and custodial services of our retirement plan under the direction of our investment advisor, Brooke Hawley of RBC- Wealth Management. The evaluation committee selected Randall & Hurley for our administrative and consulting services with Charles Schwab as the custodian of assets. Full conversion is planned for 9/1/2020 in coordination with Wells Fargo and Mass Mutual. The updated investment policy was sent to ERISA attorney for vetting along with restated plan documents for all three plans. Advisor, consultant and team are working diligently on the timeline conversion, new website portal, mobile APP and education campaign for staff. Retirement committee and audit committee will continue to bring items to the Board for approval as the timeline moves forward.
- ERP conversion:
 - The Evaluation team is in the 2nd round of demos/evaluations for the replacement for Concentrics. Events and Facilities are testing demo systems with two companies to evaluate key functionalities in order for us to select a finalist. At the same time, the Finance team is evaluating a financial suite module to interface with either ERP option that has proven successful integration. We anticipate bringing a solution for Board approval in August.
- CFO preparing new operational policies for future board review:
 - Capital, Debt, Budget Policies are being created for recommendation for adoption by the Board and required by City staff: Retirement investment policy, operating policy and various other clarifying modifications amendments to existing policies.

Agenda Item 5

Business Development:

The following are project opportunities are currently under development:

- ***Lobby Advertising:***
 - Phase 2 locations have been identified in Lobby C, D, F and G. Planning and permitting is proceeding for the installation of Phase 2.
- ***Partnership and Sponsorship***
 - FedEx – Agenda item requesting the Board to approve extension for FedEx on today's agenda.
 - Pepsi -- We are continuing the process of coming to agreement on established pricing. We have a high volume of Pepsi products being ordered by CenterPlate that helps our volume requirements. These products are being used in the meal boxes being served to the shelter guests.
- ***Owned and Operated/ Event Partnerships:***
 - This is on hold indefinitely.

Sales:

- Working closely with SDTA and SDCC sales team to negotiate and execute mutual letters of cancellation with all clients whose events are being cancelled or postponed.
- Speaking regularly with all clients who are scheduled over the next 6 months, to discuss the re-opening of the Center and the guidelines that we are working on to ensure their events can move forward safely and effectively.
- Coordinating communication efforts with HQ hotels to ensure consistent messaging to clients regarding cancelling and attempts to reschedule events.

SDTA:

- Working on FY 21 scope of work with Rick Outcalt.

Advertising/Concierge Services

- Cancelled publication of attendee guide for FY21; instead staff will potentially produce an on-line digital only version which will be made available when business returns to the Center later this fall.

Agenda Item 5

Shelter Operations:

The San Diego Convention Center has been hosting as many as 1385 guests in the “Shelter to Home Program” with a maximum of 1495 beds available.

- The three agencies running the day to day operation consist of Alpha Project, Father Joe’s and Veterans Village. Between our team, the Incident Command team and the three agencies we have created a true self-sufficient home environment for our most vulnerable in the community.
- Our team has responded to just over 500 logged incidents, most pertaining to medical transports.
- All guests have been tested at least once for Covid 19 and so far only 6 guests have had a positive result.
- The Command team has been developing a “demobilization plan” that will be ready to go into effect once the decision has been made for a targeted transition date. It does not mean that a transition is imminent, just that they are working through all the tactical details to make the transition as smooth as possible for our guests.

Downtown Protests:

In the last two weeks we have also seen protests in the downtown environment.

- Our Public Safety team continues to receive intel and briefings each day regarding potential starting points for protests. We are in constant contact with the SDPD and the Harbor police when necessary.
- We have had a couple of evenings when the protestors were expected to meet near the Center, one such meeting never materialized and the other was very peaceful and the protestors simply marched by.
- Our team prepared by locking down the venue and sending staff home early as there were to be multiple road closures.
- The SDPD and Harbor police along with our Public Safety team ensured the venue and our guests were safe at all times.

Centerplate:

Centerplate is providing breakfast, lunch, and dinner seven days a week for 1300+ vulnerable residents of San Diego. Your F&B team has provided a whopping 238,000 meals as of June 8th. Centerplate has 84 employees supporting “Operation Shelter to Home.” As a measure that enhances health and safety, they are working in four independent teams spread out through our two main kitchens. Currently, our culture of enhanced safety exceeds CDC guidelines.

Centerplate Directors and Bobby Ramirez our Centerplate GM are focused on maintaining a culture of health and safety to protect employees, customers, clients, and our community. Together

Agenda Item 5

with Sodexo/Centerplate corporate offices, the team is following best practices in Asia and European market. CenterPlate's goal is to be solution driven to support all client food and beverage needs.

The focus right now is expressing to customers that we will have a solution to all of their food and beverage needs. I want to make sure we are creating consumer confidence. Our Centerplate Directors and Bobby are determined to honor our existing catering menu pricing and not to nickel and dime our clients with additional PPE and labor surcharge/cost. The last thing we want is to redirect catering revenue to concessions or other conference needs.

For the foreseeable future CenterPlate will continue to implement the following mandates:

- Assignment of a Health and Safety Ambassador
- Wellness & temperature screens at check-in
- Mandatory face covers and gloves
- Increased cleaning and disinfection schedules
- Increased training on actionable safety measures
- Increased hand washing and sanitizer stations
- Touchless payments at all retail locations to include F&B subcontractors
- Sneeze guard shields at retail outlets and employee dining

On Site Audio Visual:

On Site has continued to support "Operation Shelter to Home." Over the next several weeks they are finalizing instructions for their staff so upon return procedures will be in place that meet local and federal guidelines. In addition they have incorporated more virtual meeting technology into their efforts to support our customer's needs.

Smart City Technical Services:

Smart City is providing ongoing support for the "Shelter to Home" program. They have also developed a business continuity plan that includes a reduction of operating costs. The Smart City team have developed re-entry guidelines and trained their teams. A good deal of time is spent brainstorming ideas to support virtual meetings with their services. The majority of time moving forward is being spent in contact with our customers for service requirements with a focus on the events in late fall/early winter.

Capital and Repair/Maintenance Project Updates:

- Completed FY21 Capital Project flowchart highlighting all 20 projects and when they are anticipated to go to the Board for approval and to determine what month the actual project would commence. This information is the basis for creating the detailed Gantt chart of detailed timelines.

Agenda Item 5

Media Updates

- The extensive media coverage of “Operation Shelter to Home” continues. The San Diego Union-Tribune, KPBS/iNewsSource, Voice of San Diego, LA Times, 10News, NBC7 and others covered aspects of the project, including testing practices and outreach efforts. Trade outlets such as VenuesNow and Trade Show News Network published stories about our current operations and Rip’s approach to leadership.
- **Upcoming:** We are preparing PR outreach to promote our GBAC Star accreditation and the collaborative efforts of California convention centers, as well as ongoing PR collaboration with the City for the temporary shelter. We are also finalizing our SDCC Safe Reopening Plan, which will be posted to our website and distributed to customers.

Digital/Social Media Updates

- Through our blog and social media, we focused on our team’s contributions to the shelter with stories on Centerplate and our cleaning services team. Those posts were shared by Mayor Kevin Faulconer, Supervisor Nathan Fletcher, Consul General Carlos González Gutiérrez, and other prominent leaders. The Mayor’s office also continued to highlight this project through social media videos and afternoon press conferences. In support of Pride Month (June), we submitted a video for San Diego Pride’s virtual parade and began lighting our sails with rainbow colors.
- **Upcoming:** For July, we are working on a series of videos for Comic-Con @ Home and a limited-edition 2020 Comic-Con chocolate bar. We are also working toward launching our new, fully redesigned and developed website by September.

Outreach:

6/12/20 Women in Tourism & Hospitality (WITH)
6/18/20 Friends of Downtown Presentation
6/25/20 Sodexo Client Webinar