

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

**TUESDAY, December 14, 2021, NOON  
111 W. Harbor Drive, 2<sup>nd</sup> Floor, Executive Boardroom  
San Diego, California 92101**

**AGENDA**

Pursuant to Government Code section 54953(e) and Board Resolution No.2021-04, members of the San Diego Convention Center Corporation Board and staff may participate in public meetings via teleconference or video conference. In the interest of reducing the spread of COVID-19, in-person public participation is prohibited at this time. Board meetings are held live via teleconference at the number indicated at the top of the agenda. Members of the public may participate live in the Board meeting and submit comments live on the teleconference line.

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

1. **Call to Order** – Elvin Lai, Chair
2. **Non-Agenda Public Comments**

This portion of the agenda provides an opportunity for members of the public to address the Board on items of interest within the jurisdiction of the Board that are not on the posted agenda. Pursuant to the Brown Act, no discussion or action shall be taken by the Board on items not posted on the agenda.

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

**Consent Agenda:**

- A. **Approval of Minutes of Board Meetings of October 26, 2021 and “Special” Board Meeting of November 18, 2021**
- B. **Authorization to Approve a Resolution of the San Diego Convention Center Corporation, Inc., Extending the Authorization of All or Partial Remote Teleconference Meetings of All Legislative Bodies as Needed During the Covid-19 Local and State Emergency through January 13, 2022 Pursuant to Brown Act Provisions.**
- C. **Approval of a Resolution of the San Diego Convention Center Corporation, Inc. Confirming a Confidential Fairness of Compensation Review for the Corporation’s Chief Financial Officer**

**Action Item(s):**

- D. **Executive Committee (Elvin Lai)**

**(1) Authorization to Approve San Diego Convention Center Corporate Policy No. 528 re: SDCCC Strategic Planning**

**(2) Authorization to Accept SDCCC Strategic Plan**

**E. Budget Committee (Elvin Lai)**

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

**(2) Authorization to Ratify Costs of Dewatering Pumps Purchased for Garage Level P-2**

**F. Sales & Marketing Committee (Jeff Gattas)**

**(1) SDCCC-SDTA Contract Negotiation Update**

**G. Nominating Committee (Jaymie Bradford)**

**(1) Election of 2022 Board Officers**

**(2) Ratification of Committee Assignments**

**4. President's Report (Rip Rippetoe)**

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

**6. Closed Session**

**A. CONFERENCE WITH LEGAL COUNSEL**

Existing litigation pursuant to Govt. Code section 54956.9(d)(1)

(2 cases)

Case No. 37-2020-00008163-CU-OE-CTL

Case No. 37-2020-00008111-CU-WT-CTL

**B. EMPLOYEE PERFORMANCE EVALUATION**

Government Code Section 54957

Title: President & CEO

3. **Action Item(s) Cont.:**

H. **Compensation Committee (Elvin Lai)**

- (1) **Authorization to Approve a Resolution of the San Diego Convention Center Corporation, Inc. Approving the Third Amendment to the Amended and Restated Employment Agreement with the President & CEO and Authorizing a One-Time Payment of a Retention Incentive Stipend to the President and CEO of the Corporation**

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

**Adjournment**

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In compliance with Government Code section 54957.5, non-exempt written material that is distributed to the Board prior to the meeting will be available at the meeting or it may be viewed in advance of the meeting online at [visitsandiego.com](http://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](mailto: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 OCTOBER 26, 2021 Via Teleconference**

**BOARD MEMBERS PRESENT:** Chair Elvin Lai and Directors Carol Kim, Carlos Cota, Allan Farwell and Jaymie Bradford

**BOARD MEMBER(S) ABSENT:** Directors Carlos Cota, Jeff Gattas and Shawn VanDiver

**STAFF PRESENT:** Rip Rippetoe, Mardeen Mattix, Andy Mikschl and Pat Evans (Recorder)

**ALSO PRESENT:** Jennifer Lyon, General Counsel, Julie Coker, SDTA President & CEO, Peter George and Miyuki Freeman of Macias & Gini LLP

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

#### **1. Call to Order**

Chair Elvin Lai called the Board Meeting to order at 12:02 p.m. in the Executive Boardroom of the San Diego Convention Center Corporation, 111 West Harbor Drive, San Diego, CA 92101. Chair Lai then called roll to determine which Directors were present on the teleconference:

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

All Directors were recorded as present except Directors Cota, Gattas and VanDiver. Chair Lai noted that all votes taken during this meeting would be recorded via roll call vote.

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



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

**Consent Agenda:**

- A. Approval of Minutes of Board Meetings of September 28, 2021.**
- B. Approval of a Resolution of the San Diego Convention Center Corporation, Inc., Extending the Authorization of All or Partial Remote Teleconference Meetings of All Legislative Bodies as Needed During the Covid-19 Local and State Emergency for the Period of October 26, 2021 through November 25, 2021 Pursuant to Brown Act Provisions.**

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

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

**Vote: Unanimous**

**AYES: 4                      NAYS: 0                      ABSTENTIONS: 0**

**Action Item(s):**

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

Chair Lai inquired if any member of the public wished to comment on Agenda Item 3.C.1. No members of the public responded to the request for comment.

**(1) Authorization to Approve Contract for Elevator-Escalator Maintenance**

**Directors Farwell and Bradford moved and seconded, respectively, to authorize approval to the Contract for Elevator-Escalator Maintenance.**

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

**Vote: Unanimous**

**AYES: 4                      NAYS: 0                      ABSTENTIONS: 0**

Chair Lai inquired if any member of the public wished to comment on Agenda Item 3.C.2. No members of the public responded to the request for comment.

Director Gattas joined the meeting at 12:10 p.m.

**(1) Authorization to Ratify Costs of Additional Emergency Generator Repairs**

**Directors Farwell and Bradford moved and seconded, respectively, to authorize ratification of the costs of additional Emergency Generator Repairs of \$22,701.24.**

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

**Vote: Unanimous**

**AYES: 5                                      NAYS: 0                                      ABSTENTIONS: 0**

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

Chair Lai inquired if any member of the public wished to comment on Agenda Item 3.D.1. No members of the public responded to the request for comment.

**(1) Authorization to Accept Audited Annual Financial Report for the Fiscal Year Ended June 30, 2021**

**Directors Gattas and Farwell moved and seconded, respectively, to authorize Acceptance of Audited Annual Financial Report for the Fiscal Year Ended June 30, 2021**

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

**Vote: Unanimous**

**AYES: 5                                      NAYS: 0                                      ABSTENTIONS: 0**

**E. Sales & Marketing Committee (Jeff Gattas)**

- Ms. Coker reported that 125 customers participated on the SDTA Town Hall call this morning. Staff wanted to communicate to customers that meetings are being held safely in San Diego. The Town Hall included a panel of customers that have

recently held meetings in San Diego. Anesthesiologists, Orthopedic Surgeons, United Plumbers and Pipefitters and Smith Bucklin were on the panel. The event went extremely well. The recording of the meeting will be available for all SDTA customers to review.

- From a long-term strategy standpoint, the Chief Sales Officer has been on site at SDTA or two weeks and he is working on merging the two teams together. He has also been visiting the local hotels and will be touring the Convention Center and meeting Center staff this Thursday.
- Staff is outlining priorities in terms of placement of groups and there are ongoing discussions regarding potentially adjusting the current practice of booking events out as far into the future as possible. That time-frame may be shortened to booking ten years out to allow for flexibility in booking additional business.
- SDTA has also hired a West Coast Sales Manager who is very experienced in booking corporate business. This Sales Manager is based outside of San Francisco.
- Mr. Mikschl reported that short-term activity is picking up but it has not yet reached pre-COVID levels. The booking activity is approximately double of what it was last year.
- There is good local interest in booking smaller convention meetings and consumer shows. Staff has booked a nice piece of corporate business for May of next year that will generate \$500,000 of food and beverage revenue.
- The Auto Show has cancelled its event for this year. The cancellation was attributable to various reasons – COVID concerns, an auto industry shortage of vehicles available for display, and concerns about vaccination status related to children under 12 years of age. The Auto Show is excited about returning next year.

Director VanDiver joined the meeting at 12:22 p.m.

**4. Chair's Report (Chair Elvin Lai): None**

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

- There will be no events at the Center between December 20, 2021 and January 10, 2022.
- Staff is encouraged to take personal time off during this period.
- Staff will also work on maintenance projects and updating training during the dark period between Christmas and New Year's Day.
- Centerplate is changing its brand name to "Sodexo Live." That is a "B" to "B" brand approach. This rebranding does not affect the brand with the Center or our customers. Please take a moment to review the information in the President's report.

**6. Board Comment [Govt. Code § 54954.2(a)(2)] – Director Farwell announced that he has decided to eliminate himself from contention for Board reappointment and will be stepping down from the Board in December. Director Lai thanked Director Farwell for his service. Director Kim, referencing the President's Report, asked if the proposed salary increases for CBAs included all unions and Mr. Rippetoe confirmed that the increase would apply to all unions. Five unions have agreed to the change and negotiations are still pending with one of the unions.**

7. **Closed Session:** The Board entered into closed session at 12:36 p.m. to discuss:

**A. CONFERENCE WITH LEGAL COUNSEL---ANTICIPATED LITIGATION  
Significant exposure to litigation pursuant to Government Code section  
54956.9(d)(2) with facts and circumstances pursuant to 54956.9(e)(3)(1 case)**

The Board returned to open session at 12:45 p.m.

Reporting out of closed session, General Counsel Lyon stated that the Board discussed item “7A” and direction was given but no reportable action was taken.

There being no further business, the meeting adjourned at 12:45p.m.

I, Carlos Cota, Secretary of the Board of Directors of the San Diego Convention Center Corporation, Inc., do hereby certify that the foregoing is a true and correct copy of the minutes of the business transacted by the Board of Directors of the San Diego Convention Center Corporation, Inc., at a duly noticed meeting held on October 26, 2021 and that said minutes were approved by the Board of Directors on December 14, 2021.

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Carlos Cota, Secretary

**Agenda Item 3.A**

**MINUTES\***

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

***SPECIAL BOARD MEETING OF NOVEMBER 18, 2021***

**BOARD MEMBERS** Vice-Chair Carol Kim and Directors Allan Farwell, Carlos Cota,  
**PRESENT:** Jeff Gattas and attending virtually, Directors Jaymie Bradford,  
Shawn Van Diver and Chair Elvin Lai

**BOARD MEMBER(S)**  
**ABSENT:**

**STAFF PRESENT:** Rip Rippetoe, Mardeen Mattix, Andy Mikschl

**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 Kim called the Special Board Meeting to order at 9:02 a.m. at 111 West Harbor Drive, Room 33, San Diego, CA, 92101. A roll call was performed to determine which Directors were present:

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

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

**3. Board Retreat**

Mr. Rippetoe commenced the retreat discussion at 9:07 a.m. and Chair Lai arrived on site at 9:08 a.m. Various speakers spoke regarding the Strategic Plan Review.

Mayor Todd Gloria was present and addressed the retreat participants from 11:15 – 11:30 a.m. Mayor Gloria’s presentation was followed by a lunch break until 12:14 p.m.

The Board Retreat resumed at 12:14 p.m. with a continuation of the presentation regarding the Strategic Plan. The retreat participants took a break from 2:47 to 3:08 p.m.

A roll-call was performed at 3:09 p.m. and the following Directors were present on site: Chair Elvin Lai and Directors Carol Kim, Allan Farwell, Carlos Cota and Jeff Gattas. Directors Jaymie Bradford and Shawn VanDiver participated virtually.

**4. Action Item:**

**A. Approval of a Resolution of the San Diego Convention Center Corporation, Inc., Extending the Authorization of All or Partial Remote Teleconference Meetings of All Legislative Bodies as Needed During the Covid-19 Local and State Emergency through December 18, 2021 Pursuant to Brown Act Provisions.**

**Directors Farwell and Kim moved and seconded, respectively, to approve the Resolution set forth hereinabove.**

**Director Lai – Aye**

**Director Kim – Aye**

**Director Farwell – Aye**

**Director Cota – Aye**

**Director Gattas – Aye**

**Director VanDiver – Absent**

**Director Bradford – Absent**

**Vote: Unanimous**

**AYES: 5**

**NAYS: 0**

**ABSTENTIONS: 0**

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

**6. Closed Session: The Board entered into closed session at 3:14 p.m. to discuss:**

**A. EMPLOYEE PERFORMANCE EVALUATION**

**Government Code Section 54957**

**Title: President & CEO**

**B. CONFERENCE WITH LABOR NEGOTIATORS**

**Government Code Section 54957.6**

**Agency Representatives: Board Ad Hoc Committee**

**Unrepresented Employee: President & CEO**

**C. CONFERENCE WITH LEGAL COUNSEL**  
**Existing litigation pursuant to Govt. Code section 54956.9(d)(1)**  
**(2 cases)**  
**Case No. 37-2020-00008163-CU-OE-CTL**  
**Case No. 37-2020-00008111-CU-WT-CTL**

The Board returned to open session at 4:44 p.m.

Reporting out of closed session, General Counsel Lyon stated that the Board discussed items 6A, 6B and 6C. Direction was given but no reportable action was taken.

There being no further business, the meeting adjourned at 4:45 p.m.

**CERTIFICATION**

I, Carlos Cota, Secretary of the Board of Directors of the San Diego Convention Center Corporation, Inc., do hereby certify that the foregoing is a true and correct copy of the minutes of the business transacted by the Board of Directors of the San Diego Convention Center Corporation, Inc., at a duly noticed meeting held on November 18, 2021, and that said minutes were approved by the Board of Directors on December 14, 2021.

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Carlos Cota, Secretary

**Agenda Item 3.B**

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

**TO:** Board of Directors

**FROM:** Jennifer Lyon, General Counsel

**DATE:** For the Agenda of December 14, 2021

**RE:** A RESOLUTION OF THE SAN DIEGO CONVENTION CENTER CORPORATION, INC. EXTENDING THE AUTHORIZATION FOR ALL OR PARTIAL REMOTE TELECONFERENCE MEETINGS OF ALL LEGISLATIVE BODIES AS NEEDED DURING THE COVID-19 LOCAL AND STATE EMERGENCY THROUGH JANUARY 13, 2021 PURSUANT TO BROWN ACT PROVISIONS.

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**BACKGROUND**

On March 17, 2020 the Governor issued Executive Order N-29-20 related to the COVID-19 pandemic. Pursuant to his Executive Order certain requirements under the Ralph M. Brown Act ("Brown Act") that govern the procedure for public meetings were suspended allowing legislative bodies of agencies across the State to conduct meetings remotely. Executive Order N-29-20 expired on September 30, 2021. On September 16, 2021, the Governor signed into law AB 361 which amends the Brown Act to allow continued flexibility for conducting public meetings. AB 361 was effective on October 1, 2021.

**DISCUSSION**

AB 361 amended Government Code section 54953 of the Brown Act to allow virtual public meetings through January 1, 2024 in any of the following circumstances:

- The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.
- The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.



- The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

These circumstances allow public agencies to hold entirely virtual and partially virtual public meetings during the current pandemic while California is in a proclaimed state of emergency. If a public meeting is held virtually under the new provisions of AB 361, the agenda must still be posted under the appropriate timelines: 72 hours in advance for a regular board meeting, and 24 hours in advance for a special meeting. The agenda must include the meeting link or dial-in, so that members of the public may access the meeting electronically. Also, the following are requirements under AB 361 for public comments during virtual meetings:

- Members of the public must be allowed to directly address the legislative body or board in real-time during the meeting.
- Legislative bodies or boards can no longer require public comments to only be submitted in writing in advance.
- When legislative bodies or boards use agenda items with timed public comment periods, they must allow those time limits to expire before closing public comment.
- When legislative bodies or boards take public comment separately on each agenda item, they must allow a reasonable amount of time per agenda item.
- In the event the meeting broadcast is disrupted, or if a technical issue on the agency's end disrupts public comment, the legislative body or board cannot take any further action on the agenda until the technical issue is resolved.

Most significantly, to continue to hold virtual meetings under AB 361 when a state of emergency remains active, the legislative body/board must make findings every 30 days that:

- The legislative body/board has reconsidered the circumstances of the state of emergency; and
- The state of emergency continues to directly impact the ability of the members to meet safely in person or state or local officials continue to impose or recommend measures to promote social distancing.

On September 28, 2021, the Board approved the first resolution to allow for remote meetings. Pursuant to subsequent resolutions adopted by the Board, the terms are continued through December 18, 2021. The attached Resolution includes the necessary findings to allow the Board, and all of its standing committees, to extend the authorization to continue to meet all or partially in a virtual mode while this local and state emergency continues through at least January 13, 2022. The attached Resolution shows that the Board did reconsider the resolution approved by the Board on September 28, October 26, and November 18 to allow for this process.

The Resolution includes the fact that the State of California and the City of San Diego declared emergencies in March of 2020 and that those emergency declarations are still in effect.

Additionally, local conditions still require necessary precautions related to COVID-19 because state and/or local officials have imposed or recommended measures to promote social distancing, such as when there have been recent exposures to COVID-19 positive individuals or persons are experiencing any symptoms of illness. Also, having the legislative bodies of the San Diego Convention Center Corporation conduct in-person meetings at this time would present imminent risks to the health and safety of attendees due to the small size of the Board meeting room, the unknown number of attendees, the potential need for booster shots, the contagious nature of the Delta variant and other COVID-19 variants, the unknown vaccination status of members of the public who might attend meetings, and the need for a specific number of directors to be present during a meeting to have a quorum for the conduct of business. This Resolution does not mandate that all public meetings be virtual public meetings; it merely lays the framework to allow for all virtual or partially virtual meetings during this pandemic.

Please note that these public meetings under the Brown Act are drastically different than the conventions that are held in the Center because the conventions are held in large areas of the Center and are not freely accessible to the public. The conventions are held under State requirements at this time which require proof of vaccine status or negative COVID-19 tests for attendance at the conventions. Those same requirements are not in place for members of the public who might attend a Board meeting. Additionally, a person can choose not to attend a convention if they are sick or have been exposed to a person with COVID-19. Directors are required to attend Board meetings because the Board needs a quorum to transact its business.

### **STAFF RECOMMENDATION**

Staff recommends that the Board approve the attached Resolution.

Attachment:

1. Corporation Resolution

### **Agenda Item 3.B**

#### **RESOLUTION NO. 05**

**A RESOLUTION OF THE SAN DIEGO CONVENTION CENTER CORPORATION, INC. EXTENDING THE AUTHORIZATION FOR ALL OR PARTIAL REMOTE TELECONFERENCE MEETINGS OF ALL LEGISLATIVE BODIES AS NEEDED DURING THE COVID-19 LOCAL AND STATE EMERGENCY THROUGH JANUARY 13, 2022 PURSUANT TO BROWN ACT PROVISIONS.**

**WHEREAS**, the San Diego Convention Center Corporation (“SDCCC”) is committed to preserving and nurturing public access and participation in meetings of SDCCC and its advisory bodies/standing committees;

**WHEREAS**, all meetings of SDCCC’s legislative bodies, as defined in the Ralph M. Brown Act (“Brown Act” Cal. Gov. Code 54950 – 54963), are open and public so that any member of the public may attend, participate, and observe the bodies conduct their business;

**WHEREAS**, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body and the public, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions;

**WHEREAS**, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558;

**WHEREAS**, it is further required that state and/or local officials have imposed or recommended measures to promote social distancing, and that the legislative body meeting in-person would present imminent risks to the health and safety of attendees;

**WHEREAS**, a state of emergency was proclaimed on March 4, 2020 by the Governor of the State of California as a result of the threat of COVID-19, and the City of San Diego proclaimed a local state of emergency related to COVID-19 on March 12, 2020 which has been continued regularly thereafter as required by law;

**WHEREAS**, the state of emergency continues to exist at a State and local level and the Board has reconsidered the circumstances of the emergency;

**WHEREAS**, orders from state and/or local officials continue to recommend social distancing measures to prevent an imminent risk to health and safety as a result of COVID-19;

**WHEREAS**, as a consequence of the state and local emergency, the Board does hereby find that the legislative bodies of SDCCC, as defined in the Brown Act, may conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953;

### **Agenda Item 3.B**

**WHEREAS**, the agendas for all remote meetings of SDCCC's legislative bodies shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option and provide a method for real-time public comments as required by law; and

**WHEREAS**, the Board approved the initial resolution pursuant to Government Code section 54953(e) on September 28, 2021 which provided for a 30 day period to end on October 28, 2021, an extension resolution on October 26, 2021 which provided for a 30 day period to end on November 25, 2021, and an extension resolution on November 18, 2021 which provided for a 30 day period to end on December 18, 2021.

**NOW, THEREFORE**, be it resolved by the Board of Directors of the San Diego Convention Center Corporation (the "Board") as follows:

1. Recitals. The recitals set forth above are true and correct and are incorporated into this Resolution as findings.
2. Reconsideration of State of Emergency. The Board continues to acknowledge the Governor's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020, and the City of San Diego Mayor's Proclamation of State of Emergency, effective March 12, 2020 which have been continued regularly thereafter. The Board has reconsidered the circumstances of this state of emergency.
3. Social Distance Measures and Risks: The Board finds that the state of emergency continues to directly impact the ability of the members to meet safely in person. The Board further finds that state and/or local officials continue to impose or recommend measures to promote social distancing to reduce exposure to COVID-19 and its transmission, such as when there have been recent exposures to COVID-19 positive individuals or persons are experiencing any symptoms of illness. In compliance with recommended or mandated state and/or local social distancing measures, the Board further finds that having the legislative bodies of the San Diego Convention Center Corporation conduct in-person meetings at this time would present imminent risks to the health and safety of attendees due to the small size of the Board meeting room, the unknown number of attendees, the potential need for booster shots, the contagious nature of the Delta variant and other COVID-19 variants, the unknown vaccination status of members of the public who might attend meetings, and the need for a specific number of directors to be present during a meeting to have a quorum for the conduct of business.
4. Remote Teleconference Meetings. The President & CEO, or designee, and the legislative bodies of the San Diego Convention Center Corporation are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) as needed and other applicable provisions of the Brown Act.
5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption. This Resolution applies for the time period through January 13, 2022. The Board may extend the terms of this Resolution as required by law every 30 days.

### **Agenda Item 3.B**

**PASSED, APPROVED and ADOPTED** this 14th day of December, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Elvin Lai, Chairperson

ATTEST:

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[Insert Name], Secretary of the Board

**Agenda Item 3.C**

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

**TO: Board of Directors**

**FROM: Elvin Lai, Chairman**

**DATE: For the Agenda of December 14, 2021**

**RE: Approval of a Resolution of the San Diego Convention Center Corporation, Inc. Confirming a Confidential Fairness of Compensation Review for the Corporation's Chief Financial Officer**

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**BACKGROUND**

After a professional recruitment, Mardeen Mattix was appointed to the Chief Financial Officer ("CFO") position in January 2018 and her salary was set at that time.

**DISCUSSION**

In 2021, the Corporation completed a confidential compensation study of various positions within the Corporation. In October of 2021, the Board authorized the President and CEO and his designees to move forward with various salary modifications and approved the amount of \$2.1 million dollars in order to accomplish that task. As of December 17, 2021, the CFO base salary will be increased based upon this confidential fairness of compensation review pursuant to the Corporation's Amended and Restated Bylaws and applicable state laws. The proposed compensation is just and reasonable based on the Corporation's review of salaries of other comparable positions in the convention center and venue industry and other comparable agencies.

**RECOMMENDATION**

That the Board approve the Resolution to confirm the confidential fairness of compensation review for the CFO.

Attachment:

1. Resolution

**Agenda Item 3.C**

**RESOLUTION NO. 2021-7**

**A RESOLUTION OF THE SAN DIEGO CONVENTION CENTER CORPORATION, INC. FINDING THAT THE COMPENSATION OF THE CHIEF FINANCIAL OFFICER IS JUST AND REASONABLE**

**WHEREAS**, in 2021, the Corporation completed a confidential compensation study;

**WHEREAS**, in October of 2021, the Board authorized the President and CEO and his designees to move forward with various salary modifications and approved the amount of \$2.1 million dollars in order to accomplish that task; and

**WHEREAS**, as of December 17, 2021, the CFO base salary will be increased.

**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 Corporation has conducted a confidential fairness of compensation review pursuant to the Corporation’s Amended and Restated Bylaws and applicable state laws of the proposed compensation to the Chief Financial Officer as of December 17, 2021, and has found that the proposed compensation is just and reasonable based on its review of salaries of other comparable positions in the convention center and venue industry and other comparable agencies.

**Section 2.** This Resolution shall become effective immediately upon adoption.

**PASSED, APPROVED and ADOPTED** this 14<sup>th</sup> day of December, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Elvin Lai, Chair

ATTEST:

\_\_\_\_\_  
[Insert Name], Secretary of the Board

**SAN DIEGO CONVENTION CENTER CORPORATION  
CORPORATE POLICY**

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**Subject: STRATEGIC PLANNING**

**Policy #: 528**

**Date: December 14, 2021**

**Page: Page 1 of 2**

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**Purpose:**

This policy outlines responsibilities and the general process to be followed when developing, implementing, maintaining, and monitoring the San Diego Convention Center Corporation's ("Corporation") Strategic Plan.

**Policy:**

The Corporation's Board of Directors ("Board") believes that strategic planning is an integral component of its governance and leadership functions. The Strategic Plan provides overall direction, unified goals, and focus in the deployment of various resources.

The Board controls the process by setting the broad strategic areas of emphasis of what is to be improved or accomplished, called "Imperatives". The majority of strategic planning beyond the Imperatives involves operational decisions referred to as "Initiatives" with progress measured by "Objectives". The Board establishes a framework through this policy to guide those decisions, but remains largely outside of the process itself and delegates these operational decisions and measurements to the President and CEO to be reported on periodically to the Board.

The Strategic Plan is comprised of:

1. Imperatives: High level, strategic areas of emphasis for a desired future state established by the Board to improve the Corporation. This is the starting point and all further strategic planning should be aligned with achieving such Imperatives. Imperatives are accomplished through a series of Objectives and Initiatives (defined below) and are carried out by staff.
2. Objectives: Measurements and/or milestones that define success within the broader strategic Imperative. Staff will maintain a dashboard of Objectives and their statuses for the Board's continued oversight.



3. Initiatives: Operational plans, projects, or tasks proposed, established, and carried out by staff to achieve the Board established Imperatives. Initiatives are intended to help achieve one or more Objectives with progress captured through a measurement benchmark or accomplishment of a milestone in support of the Imperative.

#### Periodic Review

- The Objective dashboard shall be presented to the Board on a quarterly basis, or more frequently as requested by a member of the Board.
- The entire Strategic Plan shall be reviewed annually, or more frequently as requested by a member of the Board.

#### Alignment

The Strategic Plan will be realized through alignment with:

- Corporate Policies.
- Annual Budget(s).
- Annual Capital Budget(s).
- Staff Growth/Development Plan(s).

#### Roles and Responsibilities

The Board is responsible for the following:

1. Define and maintain the Imperatives.
2. Evaluate and approve Objectives and Initiatives presented by staff.
  - a. Additions, deletions, or material changes to Objectives or Initiatives require prior Board approval.
3. Maintain oversight of the entire Strategic Plan, adjust Imperatives and/or provide feedback and recommendations as appropriate or when requested by staff.
4. Board member(s) may share history, knowledge, and ability to support Initiatives. In this capacity the Board member would serve as a resource on the Initiative, but would not direct or dictate the means and methods of fulfilling such operational Initiatives.

The President and CEO is responsible for the following:

1. Once the Board defines the Imperatives, the President and CEO, or appropriate staff representative, proposes supporting Objectives and Initiatives to the Board.
  - a. This proposal should include pertinent information such as a general description, timeline, required resource investment, and Objectives to measure success toward Board established Imperatives.
  - b. While the President and CEO may delegate the Objectives and Initiatives, the President and CEO remains ultimately responsible for ensuring the appropriateness, viability, completion, and successful outcome of Strategic Plan Objectives and Initiatives.

Approved by the Board of Directors on  
December 14, 2021

## Agenda Item 3.D.2

### San Diego Convention Center Corporation Strategic Direction

DRAFT – 12.2.2021



#### Purpose

The San Diego Convention Center is the region's premier gathering place, hosting conventions, trade shows and community events that economically benefit the city of San Diego and advance our convention and tourism industry.

#### Promise

We provide clients and guests with outstanding service, consistently exceeding expectations, so that they want to come back, over and over again, to invest in San Diego.

#### Values

**Integrity:** Do what you say you will do, big and small.

**Service:** If we are not serving our client, serve someone who is.

**Collaboration:** Work together for the greater good—over communicate.

**Courage:** We work together toward our goals, despite the presence of risk, uncertainty or fear.

**Accountability:** Anyone inside or outside of the organization can ask “why?”. If we don’t have a good answer, we change the decision.

#### Reputation

**S** Service  
**D** Diversity  
**C** Community  
**C** Collaboration

#### Position

Located in a top 10 destination, our convention center is #22 in size with an industry-leading team and reputation.

Our diverse team of dedicated and experienced industry professionals deliver unparalleled service to our clients and attendees. We are proactive hosts and ambassadors for the San Diego community.

#### Imperatives

1. Grow and Nurture Culture
2. Develop a Facility Maintenance and Improvement Program (CIP, Operating Capital, and Major Maintenance)
3. Build Confidence for a Safe and Effective Reopening
4. Refine Business Model to Ensure Financial Viability
5. Engage the Community

## 1. Grow and Nurture Culture

### Objectives

Retain high-performing team.

- By December 2021: Interim compensation philosophy established.

Recruit people to advance strategic priorities.

- Annually: All positions compensated within the range of current market value to support retention.

Strengthen management by reinforcing a culture of trust, respect and accountability.

- By June 2022:
  - Expanded HR department structure determined and vacancies filled.
  - Initial employee survey results assessed; goals set for FY22 and FY23.

### KPIs

#### FY22 Initiatives

- Complete assessment of current positions, functions and compensation; develop policy for compensation and benefits.
- Implement rehiring strategy to support strategic vision; prioritize filling HR roles to support overall recruitment.
- Improve internal communication to support the flow of information across the organization.
- Conduct a recurring employee survey to develop benchmarks and collect ongoing feedback about our internal culture.
- Assess reasons for employee turnover at all levels, including part-time staff.



## 2. Develop a Facility Maintenance and Improvement Program

### Objectives

**Reduce reactive repairs and maintenance.**

**Increase capital project planning and phased asset replacement.**

### KPIs

- By December 2021: Hire Director of Planning and Development.
- By December 2021: Complete Facility Condition Assessment.
- By March 2022: Develop Preventative Maintenance Program.
- By June 2022: Develop Capital Improvement and Major Maintenance Programs.

### FY22 Initiatives

- Hire and train Director of Planning and Development.
- Create Capital Improvement and Major Maintenance Programs including project qualification and prioritization models.
- Create Preventative Maintenance Program including frequency of inspection and preventative maintenance actions required.
- Conduct Facility Condition Assessment to establish baseline needs for Capital Improvement, Major Maintenance, and Preventative Maintenance Programs.
- Maximize the fiscal resources available for Capital Improvement and Major Maintenance Programs (state programs, grants, rebates).

### 3. Build Confidence for a Safe and Effective Reopening

#### Objectives

#### KPIs

**Strengthen confidence by providing a healthy environment in accordance with local and state health orders.**

- By November 2021: 100% of staff compliant with vaccination and/or testing requirements.

**Retain and build team to meet expectations of clients, exhibitors and attendees.**

**Maintain and attract clients by providing excellent and responsive customer service.**

- From January-June 2022: Keep 80% of currently booked citywide conventions and other major revenue-generating events for that timeframe.

#### FY22 Initiatives

- Refine health and safety protocols, as relevant to current public health orders and client needs.
- Implement staff recall plan and protocols for vaccination and testing.
- Communicate client guidelines and set expectations for initial event operations, redefining as time and situation changes.
- Develop new client survey to track satisfaction and assess value of services provided; metrics established for FY23 and FY24.
- Together with the San Diego Tourism Authority, communicate frequently and transparently with clients, employees, and partners.

#### 4. Refine Business Model to Ensure Financial Viability

##### Objectives

Assess and refine business model—with an initial focus on rental structure—to ensure reserve balance grows, supporting long-term maintenance and sustainability.

##### KPIs

- By June 2022: Cost analysis completed on at least 10 events.
- By June 2022: Strategic direction KPIs established for FY23 and FY24 that support organizational viability and maintenance.

##### FY22 Initiatives

- Together with City, Port, and Board, develop consensus on recovery investment and support needed for future success.
- Create policy for budget, debt, and cash reserves to be implemented in FY23.
- Implement decision-making process for long and short-term sales.
- Create pre- and post-event reporting tool to improve tracking of event budgets and actual costs.
- Develop standard services included in rent based on event criteria.
- Assess and adjust, as needed, the food and beverage rental incentives.



## 5. Engage the Community

### Objectives

Effectively communicate our reopening and recovery story.

Further connect staff to community and to the broader San Diego Convention Center team.

### KPIs

- Achieve social media engagement growth of at least 10% each year.
- Earn positive coverage by at least 10 major media outlets each year.
- Participate in at least 12 presentations or panel discussions each year.
- Strengthen relationships through at least 10 collaborative activities each year (e.g., donation drives, volunteer efforts, community events).

### FY22 Initiatives

- Develop reopening communications campaign aimed at the local civic and community audience.
- Support the convention industry by participating in the development of best practices and staying current on business trends.
- Participate in a group of San Diego organizations that light their buildings for different causes.
- Strengthen relationship with The Shell during its inaugural year.



DRAFT – 12.2.2021

**FY22 KPI Reporting Grid**

| KPI   | Department(s)<br>Tracking | Goal        | Actual |
|---|---------------------------|-------------|--------|
| 1.1 Date interim compensation philosophy established.   | Human Resources           | By 12/31/21 |        |
| 1.2 Percentage of positions compensated within current market range.  | Human Resources           | 100%        |        |
| 1.3 Percentage of recruitment cycle time targets achieved.  | Human Resources           | >80%        |        |
| 1.4 Date recruitment begins for known Human Resources vacancies.  | Human Resources           | By 1/1/22   |        |
| 1.5 Date all Human Resources positions filled, including known vacancies and those of additional support staff. | Human Resources           | By 6/30/22  |        |
| 1.6 Date employee survey results assessed; goals set for FY23 and FY24.   | HR/Communications         | By 6/30/22  |        |
| 2.1 Hire date of Director of Planning and Development.  | Procurement               | By 12/31/21 |        |
| 2.2 Date Facility Condition Assessment completed.   | Procurement               | By 12/31/21 |        |
| 2.3 Date Preventative Maintenance Program developed.  | Procurement               | By 3/31/22  |        |
| 2.4 Date Capital Improvement and Major Maintenance Program developed.   | Procurement               | By 6/30/22  |        |

## FY22 KPI Reporting Grid

| KPI   | Department(s)<br>Tracking | Goal | Actual |
|---|---------------------------|------|--------|
| 3.1 Percentage of staff compliant with vaccination and/or testing requirements.   | Human Resources           | 100% |        |
| 3.2 Percentage of citywide conventions and other major revenue-generating events retained (including rescheduled events) among those booked January to June 2022. | Sales/Events              | >80% |        |
| 4.1 Number of events analyzed for actual costs of services provided.  | Executive Team            | >10  |        |
| 4.2 Percentage of strategic direction KPIs established for FY23 and FY24.   | Executive Team            | 100% |        |
| 5.1 Year-over-year social media engagement growth.  | Communications            | >10% |        |
| 5.2 Number of media outlets covering positive SDCC initiatives.   | Communications            | >10  |        |
| 5.3 Presentations or panel discussions with SDCC team participation.  | Communications            | >12  |        |
| 5.4 Number of collaborative community activities with SDCC team participation.  | HR/Communications         | >10  |        |

## FY23 & FY24 Anticipated Initiatives

### **This strategic plan is designed to be updated annually, with precise initiatives and KPIs developed and Board-approved before the start of each fiscal year.**

In FY23/24, we expect to enter a period of stabilization, strengthening our focus on organizational culture, professional development, community involvement and our business model. Examples of anticipated initiatives include, but are not limited to:

- Hire supplemental technical expertise to support the Preventative Maintenance and Capital Improvement and Major Maintenance Plans.
- Implement policies for budget, debt and cash reserves.
- Refine our economic modeling tool.
- Launch an updated San Diego Spirit program, starting with orientation and continuing with ongoing professional development and mentorship to train employees to provide excellent customer service and advance within the organization.
- Refine the performance management process to connect reviews to this plan and further establish a goals-oriented, accountable workforce.
- Assess current staff leadership roles in the community and industry and identify opportunities for greater involvement.



## **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: Rip Rippetoe, CFE – President & CEO**

**DATE: December 14, 2021**

**RE: Ratification of Contract for Purchase and Installation of Sump Pumps to Replace Two Failing Dewatering Pumps in the P2 Parking Garage**

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### **BACKGROUND**

The dewatering system ensures that water infiltration from the bay is pumped from beneath the subterranean parking lot located under the original phase of the San Diego Convention Center (“SDCC”). The SDCC Facility Management Team has maintained and repaired the 16 dewatering pumps in the P2 parking area at the SDCC for many years. The pumps operate on demand depending on volume. The pumps activate as the pits beneath them fill. Not all pumps are needed at one time. However, the redundant design allows for the cycling of the pumps as needed.

The existing pumps are original equipment. The SDCC Facility Management team has kept them operating through preventative maintenance and repairs over the years. Recently, five of the sixteen dewatering pumps located in the P2 level failed. Upon investigation of the failed pumps, Facility Management determined that the pumps, which are 30 years old, could not be repaired because the manufacturer of the pumps is no longer in business and no parts are available to repair these existing turbine pumps.

### **DISCUSSION**

Sloan Electromechanical was approved to immediately provide and install two submersible pumps. Sloan Electromechanical was selected because they are familiar with the system and its requirements. Sloan Electromechanical has previously been contracted by SDCC to install the pump control systems. This solution is a test to determine the viability of replacing the obsolete turbine pumps with sump pumps. Once this testing period is complete, SDCC will coordinate with the City of San Diego and their Wastewater/Public works departments to determine a path going forward to replace and modernize all the pumps within this critical infrastructure.

### **RECOMMENDATION**

Staff seeks Board approval to approve the total expense of \$29,350 for the purchase of and labor costs to install these two pumps.

/s/

Clifford “Rip” Rippetoe, CFE  
President & CEO

## Agenda Item 3.F



### SAN DIEGO CONVENTION CENTER/ SHORT TERM SALES NOVEMBER 2021 SALES ACTIVITY REPORT



**CONTACT:** Andy Mikschl, *Executive Vice President, Sales, 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*

| DEFINITE |                | FY22<br>NOVEMBER 2021 | FY21<br>NOVEMBER 2020 | CUMULATIVE<br>FYTD 2022 | CUMULATIVE<br>FYTD 2021 |
|----------|----------------|-----------------------|-----------------------|-------------------------|-------------------------|
|          | EVENTS         | 5                     | 1                     | 24                      | 8                       |
|          | ATTENDANCE     | 20,006                | 1,500                 | 61,476                  | 19,450                  |
|          | ROOM NIGHTS    | 280                   | 0                     | 8,525                   | 509                     |
|          | RENTAL REVENUE | \$87,050              | \$29,600              | \$603,957               | \$144,184               |

### FY22 PERCENT TO GOAL

*Convention Center Rental Revenue*

|                           | GOAL        | YTD       | PERCENT TO GOAL |
|---------------------------|-------------|-----------|-----------------|
| CONTRACTED RENTAL REVENUE | \$2,000,000 | \$603,957 | 30.20%          |

**CONTRACTED SHORT TERM EVENTS/ NOV 2021**

| EVENT NAME                                | EVENT DATES | PROJECTED ATTENDANCE | PEAK ROOMS | ROOM NIGHTS | RENTAL          |
|---|-------------|----------------------|------------|-------------|-----------------|
| Spirit Royal Showdown/ The Spirit Network | 12/11/21    | 3,000                | 50         | 100         | \$18,400        |
| Sidecar Health Meeting ICW NAIC           | 12/12/21    | 6                    | 0          | 0           | \$1,150         |
| Bridal Bazaar Fall 2022                   | 08/21/22    | 2,000                | 0          | 0           | \$11,300        |
| San Diego Fall Home Show 2022             | 09/10/22    | 5,000                | 0          | 0           | \$17,000        |
| AKC Meet the Breeds 2022                  | 09/10/22    | 10,000               | 90         | 180         | \$39,200        |
| <b>TOTAL</b>                              |             | <b>20,006</b>        |            | <b>280</b>  | <b>\$87,050</b> |



**CONTRACTED SHORT TERM EVENTS/ FY22 YTD**

| EVENT NAME                                    | EVENT DATES | PROJECTED ATTENDANCE | PEAK ROOMS | ROOM NIGHTS  | RENTAL           |
|---|-------------|----------------------|------------|--------------|------------------|
| Electrical Training Institute Graduation      | 09/17/21    | 600                  | 0          | 0            | \$7,560          |
| SD County Taxpayers Annual Golden Watchdog    | 10/06/21    | 500                  | 0          | 0            | \$3,240          |
| Athletic Championships/Varsity Spirit         | 12/17/21    | 5,000                | 320        | 800          | \$25,800         |
| Encore Championships SD Showdown              | 02/18/22    | 8,200                | 320        | 800          | \$33,200         |
| CA Bridal & Wedding Expo 2021                 | 04/30/22    | 5,000                | 0          | 0            | \$7,700          |
| Celebration of Life for Father Joe Carroll    | 08/09/21    | 500                  | 0          | 0            | \$8,720          |
| So CA Level 3,4,5 Gymnastics Championships    | 11/19/21    | 3,000                | 0          | 0            | \$14,800         |
| SD Spirit Royale / Spirit Network             | 01/22/22    | 3,500                | 0          | 0            | \$22,600         |
| Millenials Film Shoot                         | 09/29/21    | 10                   | 6          | 10           | \$4,000          |
| San Diego Community Assist ICU Awards         | 10/23/21    | 250                  | 0          | 0            | \$1,500          |
| The IR Show Winter 2022 / Simple Logic        | 01/31/22    | 500                  | 100        | 300          | \$49,800         |
| Level 6-10 State Gymnastics Championships     | 03/25/22    | 3,000                | 0          | 0            | \$15,400         |
| X-Stem San Diego / Science Spark              | 04/18/22    | 1,600                | 0          | 0            | \$10,400         |
| San Diego Symphony Orchestra Board Dinner     | 11/01/21    | 110                  | 0          | 0            | \$3,240          |
| CREtech San Diego 2022                        | 03/22/22    | 1,200                | 200        | 500          | \$46,437         |
| Inside Quantum Technology 2022                | 05/10/22    | 300                  | 50         | 250          | \$18,900         |
| Ameriprise Financial National Conference 2022 | 05/12/22    | 2,800                | 1,420      | 4,260        | \$131,550        |
| BPI West 2023 / Informa Connect               | 02/27/23    | 400                  | 250        | 750          | \$66,460         |
| Warrior Expo West 2023 / ADS                  | 04/05/23    | 5,000                | 275        | 575          | \$45,600         |
| Spirit Royal Showdown/ The Spirit Network     | 12/11/21    | 3,000                | 50         | 100          | \$18,400         |
| Sidecar Health Meeting ICW NAIC               | 12/12/21    | 6                    | 0          | 0            | \$1,150          |
| Bridal Bazaar Fall 2022                       | 08/21/22    | 2,000                | 0          | 0            | \$11,300         |
| San Diego Fall Home Show 2022                 | 09/10/22    | 5,000                | 0          | 0            | \$17,000         |
| AKC Meet the Breeds 2022                      | 09/10/22    | 10,000               | 90         | 180          | \$39,200         |
| <b>TOTAL</b>                                  |             | <b>61,476</b>        |            | <b>8,525</b> | <b>\$603,957</b> |



## PRIMARY MARKET

*Conventions, Trade Shows, Corporate & Incentive Events*

| DEFINITE | FUTURE YR BOOKINGS | NOVEMBER 2021 | NOVEMBER 2020 | CUMULATIVE FY2022 | CUMULATIVE FY2021 |
|----------|--------------------|---------------|---------------|-------------------|-------------------|
|          | CONVENTIONS        | 2             | 2             | 7                 | 7                 |
|          | ATTENDANCE         | 29,500        | 13,000        | 79,481            | 54,700            |
|          | ROOM NIGHTS        | 27,038        | 32,840        | 158,354           | 111,438           |

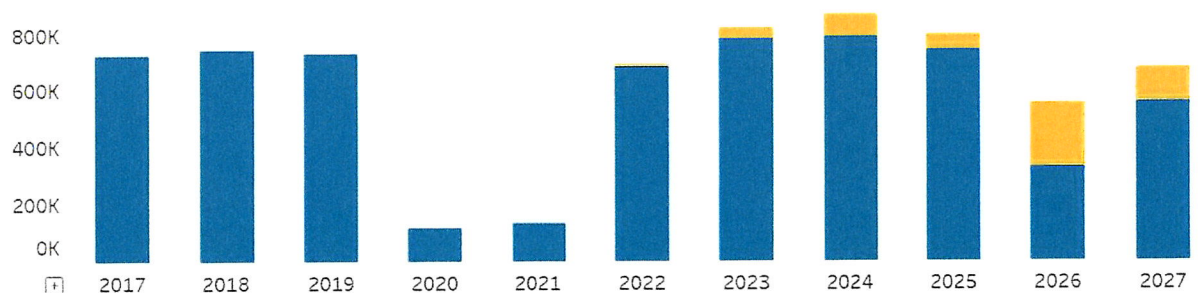
| TENTATIVE | FUTURE YR BOOKINGS | NOVEMBER 2021 | NOVEMBER 2020 | CUMULATIVE FY2022 | CUMULATIVE FY2021 |
|-----------|--------------------|---------------|---------------|-------------------|-------------------|
|           | BOOKINGS           | 13            | 2             | 31                | 22                |
|           | ATTENDANCE         | 37,550        | 4,600         | 175,420           | 147,320           |
|           | ROOM NIGHTS        | 82,151        | 7,397         | 334,332           | 303,550           |

## FY22 TOTAL ROOM NIGHTS FOR FUTURE BUSINESS

| CUMULATIVE FY2022      |  |         |  |
|------------------------|--|---------|--|
| FY22 TOTAL ROOM NIGHTS |  | 158,354 |  |

## ROOM NIGHT SUMMARY

*Figures based on calendar year.*



|                       | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|-----------------------|------|------|------|------|------|------|------|------|------|------|------|
| Tentative Room Nights |      |      |      |      |      | 3K   | 39K  | 75K  | 52K  | 225K | 117K |
| Definite Room Nights  | 728K | 746K | 732K | 120K | 134K | 689K | 783K | 792K | 747K | 330K | 560K |
| Definite Conventions  | 43   | 43   | 57   | 14   | 12   | 53   | 45   | 39   | 31   | 20   | 24   |

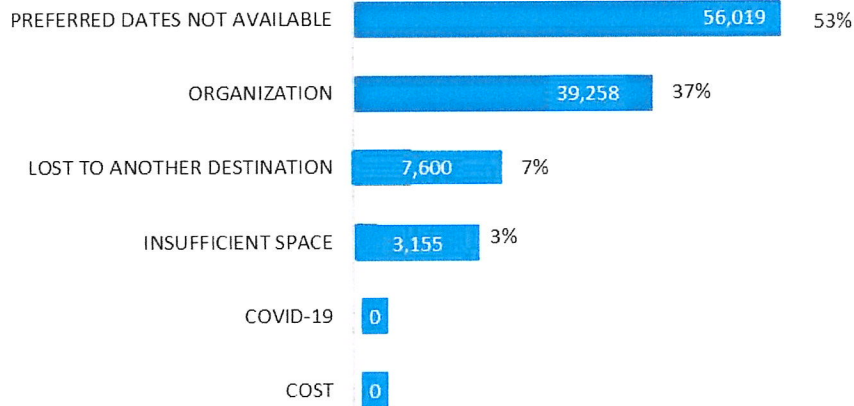


**DEFINITE EVENTS BREAKDOWN***Conventions, Trade Shows, Corporate & Incentive Events, NOVEMBER 2021*

| Account Name             | Event Begin Date | Event End Date | Peak Room Nights | Estimated Attendance | Definite Room Nights |
|--------------------------|------------------|----------------|------------------|----------------------|----------------------|
| Twitch Interactive, Inc. | 10/3/2022        | 10/10/2022     | 4,554            | 25,000               | 20,257               |
| SPIE                     | 8/1/2025         | 8/7/2025       | 1,400            | 4,500                | 6,781                |
| <b>Total</b>             |                  |                | <b>5,954</b>     | <b>29,500</b>        | <b>27,038</b>        |

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

LOST ROOM NIGHTS 106K

**SITE INSPECTIONS (In-Person)***Definite Events unless otherwise denoted, NOVEMBER 2021*

| Account Name  | Event Begin Date | Event End Date | Estimated Attendance | Estimated Room Nights |
|---|------------------|----------------|----------------------|-----------------------|
| American College of Sports Medicine                               | 5/31/2022        | 6/4/2022       | 6,600                | 7,885                 |
| American Planning Association                                     | 4/30/2022        | 5/3/2022       | 6,000                | 5,980                 |
| Biophysical Society   | 2/18/2023        | 2/22/2023      | 7,000                | 11,414                |
| Biotechnology Innovation Organization                             | 6/13/2023        | 6/16/2023      | 8,500                | 28,318                |
| American Composites Manufacturing Association<br><i>Tentative</i> | 9/9/2024         | 9/12/2024      | 10,000               | 7,210                 |
| American Composites Manufacturing Association<br><i>Tentative</i> | 9/27/2027        | 9/30/2027      | 10,000               | 7,210                 |

**SITE INSPECTIONS (In-Person)***Definite Events unless otherwise denoted, NOVEMBER 2021*

| Account Name   | Event Begin Date | Event End Date | Estimated Attendance | Estimated Room Nights |
|--|------------------|----------------|----------------------|-----------------------|
| Deloitte Touche Tohmatsu Limited                               | 12/8/2022        | 12/16/2022     | 7,000                | 20,924                |
| Golf Course Superintendents Assn of America                    | 2/5/2022         | 2/10/2022      | 12,000               | 20,467                |
| The Institute of Electrical and Electronic Engineers, Inc.     | 6/11/2023        | 6/16/2022      | 12,000               | 15,180                |
| NACHA: The Electronic Payments Association<br><i>Tentative</i> | 4/25/2026        | 4/29/2026      | 2,350                | 5,293                 |
| National School Boards Association                             | 4/2/2022         | 4/4/2022       | 5,250                | 16,980                |
| SAS Institute, Inc.  | 4/10/2022        | 4/13/2022      | 5,000                | 11,900                |

**CLIENT APPOINTMENTS**

- AB MEDIA INC.
- AMAZON WEB SERVICES
- AMERICAN ASSOCIATION CRITICAL CARE NURSES
- AMERICAN CHEMICAL SOCIETY
- AMERICAN COLLEGE OF SURGEONS
- AMERICAN DENTAL HYGIENISTS' ASSOCIATION
- AMERICAN SOCIETY OF ANESTHESIOLOGISTS/SMITHBUCKLIN
- CALIFORNIA SCHOOL BOARDS ASSOCIATION
- CARDINAL HEALTH
- CLUB MANAGEMENT ASSOCIATION
- CONFERENCE DIRECT: BERKSHIRE HATHAWAY
- FAMILY CAREER & COMMUNITY LEADERS ASSOCIATION
- GEORGE P. JOHNSON: CISCO SYSTEMS, INC.
- GES - ALZHEIMER'S ASSOCIATION & PCMA
- GOLF COURSE SUPERINTENDENTS ASSOCIATION OF AMERICA
- HEART RHYTHM SOCIETY
- INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
- INTERNATIONAL FRANCHISE ASSOCIATION
- INTERNATIONAL HEALTH RACKET & SPORTS CLUB ASSOCIATION
- IRRIGATION ASSOCIATION

- NACHA: THE ELECTRONIC PAYMENTS ASSOCIATION
- NATIONAL ASSOCIATION OF REALTORS
- NATIONAL INDIAN GAMING ASSOCIATION
- NORTH AMERICAN SPINE SOCIETY
- PCMA
- SOCIAL MEDIA EXAMINER
- SOCIETY FOR NEPHROLOGY
- SOCIETY FOR NEUROSCIENCE
- YARDI SYSTEMS, INC.

**INDUSTRY APPOINTMENTS**

- CALIFORNIA COMEBACK TASK FORCE
- DESTINATION CELEBRATION MINNEAPOLIS/100 ATTENDEES
- DESTINATION REPS BUDGET COMMITTEE MEETING
- MARITIME MUSEUM SAN DIEGO (VENUE TOUR)
- PCMA FOUNDATION "DREAM BIG" AUCTION EVENT
- PCMA GMC MEMBERSHIP ENGAGEMENT SUBCOMMITTEE
- SAN DIEGO TOURISM AUTHORITY ANNUAL MEETING/400 ATTENDEES

**Agenda Item 3.G.1**

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

**TO: Board of Directors**  
**FROM: Jaymie Bradford, Nominating Committee Chair**  
**DATE: For the Agenda of December 14, 2020**  
**RE: Election of Officers**

---

**BACKGROUND**

The Nominating Committee of the Board of Directors of the San Diego Convention Center Corporation ("SDCCC") has selected a proposed slate of Officers to serve on the SDCCC Board for 2022.

**DISCUSSION**

After deliberations by the Nominating Committee consisting of Chair Jaymie Bradford and Directors Allan Farwell and Shawn VanDiver, the following slate of officers was submitted for consideration for 2022 San Diego Convention Center Board service:

Board Chair – Carol Kim  
Vice-Chair - Carlos Cota  
Secretary – Jeff Gattas  
Treasurer – Shawn VanDiver

**RECOMMENDATION**

It is recommended that the Board approve the slate of officers as set forth hereinabove.

\_\_\_\_\_  
/s/  
Jaymie Bradford  
Nominating Committee Chair



## 2022 SAN DIEGO CONVENTION CENTER CORPORATION COMMITTEE APPOINTMENTS/LIAISONS

### AUDIT (QUARTERLY MEETINGS)

Oversees the external audit, accounting,  
financial internal control and risk  
management processes

Jaymie Bradford, Chair

Shawn VanDiver

Will Rodriguez-Kennedy

Staff Liaison: Chief Financial Officer

Will Rodriguez-Kennedy

Staff Liaison: Chief Financial Officer

### BUDGET (MONTHLY MEETINGS)

Reviews and approves the Corporation's  
Budget

Jeff Gattas, Chair

Carlos Cota

Carol Kim

Will Rodriguez-Kennedy

Staff Liaison: Chief Financial Officer

### EXECUTIVE COMMITTEE (MONTHLY MEETINGS)

Carol Kim, Chair

Carlos Cota, Vice-Chair

Jeff Gattas, Treasurer

Jaymie Bradford, Immediate Past Chair

Staff Liaison: President & CEO

### DEFINED CONTRIBUTION COMMITTEE (MEETINGS SCHEDULED AS NEEDED)

Board representative on Employee Defined  
Contribution Committee

### SALES & MARKETING COMMITTEE (7 MEETINGS A YEAR)

Review strategies for Convention Center  
sales and marketing

Carlos Cota, Chair

Shawn VanDiver

Elvin Lai

Staff Liaison: President & CEO



**Agenda Item 3.H.1**

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

**TO: Board of Directors**

**FROM: Elvin Lai, Chairman**

**DATE: For the Agenda of December 14, 2021**

**RE: Approval of a Resolution of the San Diego Convention Center Corporation, Inc. Approving the Third Amendment to the Amended and Restated Employment Agreement and Authorizing a One-Time Payment of a Retention Incentive Stipend to the President and CEO of the Corporation**

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**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. In March and June of 2020, the Board approved the First and Second Amendments to the Amended Agreement.

**DISCUSSION**

In November of 2021, the Board evaluated the performance of Rippetoe and found that he has performed well. His recent performance evaluation concluded that he has served the Corporation well, especially during the most recent challenges of the COVID-19 pandemic. Rippetoe’s Amended Agreement has a term until June 30, 2027 unless extended or terminated sooner pursuant to the Agreement’s provisions. The parties wish to set Rippetoe’s base salary and provide for cost of living adjustments for the future years as shown in the Third Amendment. The Board conducted a confidential fairness of compensation review pursuant to the Corporation’s Amended and Restated Bylaws and applicable state laws of the proposed compensation embodied in the Third Amendment to the Amended Agreement and has found that the proposed compensation is just and reasonable based on its review of salaries of other comparable positions in the convention center and venue industry and other comparable agencies. Additionally, pursuant to Rippetoe’s Amended Agreement, for 2021, he is eligible for a one-time retentive incentive stipend in the amount of up to 10% of Rippetoe’s current salary. The incentive payment may be taken as a one-time cash payment or as an additional contribution to Rippetoe’s retirement account at the option of Rippetoe.

## RECOMMENDATION

That the Board approve the Resolution to approve the Third Amendment and authorize a one-time retention incentive payment to Rippetoe in the amount of 10% of Rippetoe's current base salary.

### Attachments:

1. Resolution
2. Proposed Third Amendment

## Agenda Item 3.H.1

### **THIRD AMENDMENT TO AMENDED AND RESTATED EMPLOYMENT AGREEMENT between The San Diego Convention Center Corporation and Clifford Rippetoe**

This Third Amendment to Amended and Restated Employment Agreement ("Third Amendment") is entered into this 14th day of December 2021 (hereinafter "Effective Date"), by and between the San Diego Convention Center Corporation, California, a California nonprofit public benefit corporation (hereinafter "Corporation") and Clifford Rippetoe, an individual (hereinafter "Officer") (Corporation and Officer referred to collectively as "Parties") with respect to the employment of Officer as the President and Chief Executive Officer of the Corporation.

#### **RECITALS**

**WHEREAS**, on March 16, 2016, the Corporation and Officer entered into the Employment Agreement and thereafter on June 21, 2017, entered into the Amended and Restated Employment Agreement ("Amended Agreement");

**WHEREAS**, such Amended Agreement requires the Board to conduct a formal evaluation of Officer's performance at least once each year;

**WHEREAS**, due to the unprecedented and far-reaching impacts of COVID-19, the Board and Officer agreed to the First Amendment and Second Amendment to the Amended Agreement in March and June of 2020; and

**WHEREAS**, the Board conducted a performance evaluation of Officer in November of 2021, and the Board now desires to make the following amendments to the Amended Agreement, First Amendment, and Second Amendment.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained, the parties agree as follows:

**Section 1.** Section 3 of the First Amendment and Section 2 of the Second Amendment are specifically superseded and replaced by this Third Amendment.

**Section 2.** Section 3(A)(1)(a) of the Amended Agreement shall be deleted in its entirety and replaced with the following:

- (a) For July 1, 2021 through June 30, 2022, the annual base salary for the position of President and Chief Executive Officer shall remain at \$327,818. Beginning July 1, 2022, the annual base salary for the position of President and Chief Executive Officer shall be \$339,944. Thereafter, the annual base salary for the position of President and

Chief Executive Officer may be increased at the discretion of the Board provided, however, that without any further action of the Board, the annual base salary shall increase automatically each year as described below effective July 1 of the applicable year for 2023, 2024, 2025 and 2026: in an amount equal to the most recent annual cost of living adjustment where "Cost-of-Living" is the California Consumer Price Index for Urban Wage Earners and Clerical Workers as calculated by the Department of Industrial Relations or in the amount of 3%, whichever is less.

**Section 3.** Section 3(A)(2) "Retention Incentives" of the Amended Agreement shall be deleted in its entirety and replaced with the following:

Each year Officer may be eligible for a one-time retention incentive in the amount of up to 10% of Officer's then current base salary if the Officer performs satisfactorily and achieves such goals and performance metrics as are determined by the Board. The retention incentive may be awarded in the form on a one-time cash payment or additional contributions to Officer's retirement accounts as may be directed by the Board. The retention incentive will be given only after the Board has considered and taken specific action to award this incentive after a review of the financial performance of the Corporation at the end of each year based upon the specific standards agreed to between the Board and Officer. The determination of the award and amount of the incentive, including in exceptional circumstances whether an award may be in excess of 10% of the Officer's then current base salary, will be based solely on the Board's absolute discretion taking into account all reasonable criteria.

**Section 4.** Except as stated herein, all other terms of the Amended Agreement, First Amendment, and Second Amendment shall remain in full force in effect.

**Section 5.** The amendments above shall be effective as of December 14, 2021.

IN WITNESS WHEREOF the Parties have executed this Third Amendment as of the day and year first above written.



CORPORATION

OFFICER

By: \_\_\_\_\_  
Elvin Lai, Chairperson

By: \_\_\_\_\_  
Clifford "Rip" Rippetoe

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Jennifer M. Lyon, General Counsel

## **Agenda 3.H.1**

### **RESOLUTION NO. 2021-06**

#### **A RESOLUTION OF THE SAN DIEGO CONVENTION CENTER CORPORATION, INC. APPROVING THE THIRD AMENDMENT TO THE AMENDED AND RESTATED EMPLOYMENT AGREEMENT AND AUTHORIZING A ONE-TIME PAYMENT OF A RETENTION INCENTIVE STIPEND TO THE PRESIDENT AND CEO OF THE CORPORATION**

**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;

**WHEREAS**, in July of 2017, the Board approved an Amended and Restated Employment Agreement (“Amended Agreement”) with Rippetoe, and in 2020, the Board approved the First and Second Amendments to the Amended Agreement;

**WHEREAS**, the parties now wish to amend Rippetoe’s employment agreement related to his base salary;

**WHEREAS**, in 2021, the Board evaluated the performance of Rippetoe and found that he serves the Corporation well, especially during the challenges of the COVID-19 pandemic; and

**WHEREAS**, pursuant to Rippetoe’s Amended Agreement, for fiscal year 2021, he is eligible for a one-time retentive incentive stipend in the amount of up to 10% of Rippetoe’s then current salary.

**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 it has conducted a confidential fairness of compensation review pursuant to the Corporation’s Amended and Restated Bylaws and applicable state laws of the proposed compensation embodied in the Third Amendment to the Amended Agreement for the President & CEO, Rip Rippetoe, and has found that the proposed compensation is just and reasonable based on its review of salaries of other comparable positions in the convention center and venue industry and other comparable agencies.

**Section 2.** The Board hereby approves the Third Amendment to the Amended Agreement for the President & CEO, Rip Rippetoe and authorizes the Chairperson to execute the Third Amendment on behalf of the Corporation.

**Section 3.** The Board hereby authorizes a one-time retention incentive payment for fiscal year 2021 to Rippetoe in the amount of 10% of Rippetoe’s base salary at the amount in effect as of the date of this Resolution pursuant to the provisions of the Amended Agreement. The incentive payment may be taken as a one-time cash payment or as an additional contribution to

### Agenda 3.H.1

Rippetoe's retirement account at the option of Rippetoe. The CFO is authorized to issue this payment.

**Section 4.** This Resolution shall become effective immediately upon adoption.

**PASSED, APPROVED and ADOPTED** this 14<sup>th</sup> day of December, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Elvin Lai, Chair

ATTEST:

\_\_\_\_\_  
[Insert Name], Secretary of the Board

## **Agenda Item 4**

### **SAN DIEGO CONVENTION CENTER CORPORATION MEMORANDUM**

**TO:** Board of Directors

**FROM:** Rip Rippetoe, President & CEO

**DATE:** December 14, 2021

**RE:** December 2021 President & Staff Report

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**Core Value:** Integrity – Keep your promises big and small.

#### **Human Resources:**

- Tracy Ward, HR consultant from Forward Talent Strategies, began working with our team to identify organizational development opportunities in our HR Department.

#### **Finance/Accounting:**

*See memo attached in the packet after CEO/Staff report.*

#### **Strategic Plan focus work:**

- The Director of Planning and Development, Victoria Mitchel, will begin her role at SDCC this week. Development of Major Maintenance and Capital Improvement Programs will commence after she arrives and onboarding is complete.
- Executive team and HR developed and implemented a compensation strategy that took immediate measures to retain and attract new talent in order to increase the labor pools to maintain expected service levels of clients.
- Staff continues to work diligently to analyze business model opportunities by focusing on balancing client demand with resources to support them.

#### **IT Security and Hardening our Defenses:**

- IT staff continues to work with key stakeholders in Operations to identify software needs related to work order management and staff scheduling to identify viable solutions to

## **Agenda Item 4**

leverage better reporting, streamline data and track labor. Solutions identified will integrate into the ERP platform upgrades at a later phase.

### **Business Development:**

Update on Phase II of digital signage: Hall C lobby display install delayed until first quarter of '22, due to delay in delivery of equipment because of supply chain issues; moving forward with installation of approximately 10 smaller digital displays throughout the building, which will be sold to clients and eventually local advertisers (working with SDTA on partnership to sell digital locally). Most of those displays will be installed by end of the year.

### **Sales:**

- Ongoing discussion continues with Julie and Kavin regarding SDTA sales & marketing contract, with plans to bring contract to board for approval by the February board meeting.
- Rip and Andy took a trip on December 9<sup>th</sup> to Redlands to visit Esri clients and discuss future years.
- We attended a sales event in Chicago for the annual Chicago client breakfast, along with SDTA and several hotel partners; approximately 50 citywide clients from Chicago area were in attendance.
- We are negotiating/finalizing numerous client license agreements for future events, including two prominent union conventions for 2026.
- We are working through negotiations with confirmed clients for '22 on revised space and contractual terms, to account for changes to event formats and attendance estimates.
- We are having ongoing meetings with the consultant regarding eventual Venue Ops conversion, for both sales process and event license agreement process.

### **Event Management:**

- We implemented a client exit evaluation program and have started issuing those out to clients.
- There is significant site inspection activity with clients doing pre-planning meetings for upcoming events.
- We are working with the Mayor's office to host the State of the City address at the Center in January.

## **Agenda Item 4**

### **Venue Operations:**

- The meeting with the City Fire Marshal over issues with fire doors and door closer is completed. Presented a plan for repairs and inspection of which the Fire Marshal approved.
- Tennis court planter removal, waterproofing and concrete replacement projects are complete. The leaks on bayside and city-side corridors upper level west stucco ceiling have been remedied by this project.
- Tennis court expansion joint replacement project is 90% complete. This should resolve rain leaks into the upper level mechanical rooms West Building.
- 20 feet of 8" pipe feeding the fire cannons on the Sail has been replaced. Pipe had failed.
- 3 Failed VFD's in Central plant have been replaced.
- 2 walk in coolers in the west kitchen repaired.
- Cleaned and removed all material/furniture from inside the Pro Shop Tennis Court Level.
- Cleaned all debris from all tennis courts.
- 2 new submersible pumps installed in dewatering system on P2.
- Heat tape applied to all grease pipes west kitchen, which should resolve chronic issues of grease build-up clogging pipes leaving the West Kitchen.
- All damaged partitions were replaced in Hall F men's restroom.
- Fire doors were replaced in rooms 7, 20 and 2.
- Smoke seals were replaced on 44 sets of doors.
- Rolling dock doors in Halls D-H repaired.
- A total of 60 feet of failed cast iron storm drain was replaced in two locations (Hall C & room 185).
- Annual standpipe, fire sprinkler, fire pump and flow sensor inspections are complete. The noted deficiencies are being repaired in the next few weeks.
- Mirror replacements in the following restrooms (silvering failed)-20 A men's, 20 A women's, 32 men & women's, C dock men & women's, Lobby E women's & 30 men's.
- Annual backflow certification completed.

### **Public Safety:**

- Staffing continues to be developed for the large upcoming shows.
- The SDCC 4<sup>th</sup> Annual Law Enforcement & First Responder Breakfast was hosted on December 9<sup>th</sup>.

### **Marketing & Communications:**

- Together with the Port of San Diego, Comic-Con and the San Diego Tourism Authority, we managed distribution of public access maps and other key communications pieces before and during Comic-Con Special Edition.
- Published our FY21 Annual Report, which describes the role our Convention Center played in humanitarian operations during the height of the COVID-19 pandemic.
- Managed updates to our draft Strategic Plan to be implemented for FY22-24.

#### **Agenda Item 4**

- Continued to support client communications and update our website with guidance, protocols and regional vaccination rates.
- Received a Bernays Award from the PRSA San Diego Chapter for our public relations activities during the pandemic.
- Promoted additional recognition our team received, including the 2021 Lead San Diego Visionary Award for regional collaboration and Rip Rippetoe's inclusion in the San Diego Business Journal's SD500 list.

#### **Government Affairs and Community Outreach:**

We named our new Director of Government and Community Affairs: Juan Reyes.

Juan will be responsible for building relationships with regional leaders and community groups, monitoring legislation and representing the San Diego Convention Center in public forums.

Juan will begin his new role with us on Monday, January 3. I look forward to introducing Juan to you in the New Year.

**CFO Report to Budget Committee**  
**For the month ending October 31, 2021**  
*(as of November 24, 2021)*

**Financial Outlook**

For the month ending October 31, 2021, Corporation is still trailing budget by nearly \$500K. October revenue was better than expected, with the unbudgeted American Society of Bone and Mineral Research event taking place - and Food & Beverage and commissions/ancillaries coming in above expectation across the board. Operating expenses were also better than budget, but still exceeded revenues.

FT personnel expenses savings of \$0.4M were offset by PT personnel over-budget by \$0.2M to augment FT position vacancy rates. There are 39 budgeted positions currently unfilled. Fringe benefits net a \$0.9M savings due to unemployment claims much lower than budgeted with continued subsidy from the government offsetting costs through early September. Additionally, two long-term Workers Comp claims closed with large contingency values that were released, resulting in a reversal of prior year expenses and recognizing savings this year.

Other significant expense line items causing savings variance are related to delayed large repair and maintenance items for a fire system device replacement. Planning is underway with an expected value of \$670K later this year.

October 2021 ended with an unrestricted reserve balance of \$22M after making obligatory IBank payments and receiving \$4.387M of PPP1 loan forgiveness. We continue to monitor reserves closely with the City while tracking attendance rates and industry outlooks for travel projections. There continues to be a strong demand for events to host in person meeting, but attendance is expected to remain between 25%-40% of pre-pandemic levels in the near term.

**Strategic Plan focus work**

- Update on tourism grant application: Staff was requested by Mayor's office to cease efforts on this project due both entities competing for the same funds. The submission request was estimated to be nearly \$3M for carpet, way finding and lobby renovations.
- The Director of Planning and Development has been hired and is starting mid-December. Development of Major Maintenance and Capital Improvement Programs will commence in the near future. The facility condition report is expected by end of December.
- Staff will be engaged in a deeper competitor set study based on the initial study to seek clarity of funding sources, uses of TOT funds (specially capital and maintenance costs for facility upkeep) in order to understand the economic impact on the competitive set regions compared to San Diego. Additional request pending to compare building rental rates and ancillary pricing to competitors.
- Staff is engaged with McDougal Love and Insurance Brokers to develop a Risk Management Policy and Procedure for claims review and filing. There has been a lot of activity recently with the need to update best practices.
- Staff completed an initial compensation philosophy to incorporate key salary market adjustments by the end of December. All employees employed as of 11/1/2021 who have worked at least 100



hours will received a retention incentive. All non-represented due performance evaluations in FY 2022 will receive a lump sum adjustment of 3% of annual salary in lieu of a performance review. Some employees who have had salary freeze for the last year received market salary adjustments as a result of the compensation assessment performed by our 3<sup>rd</sup> party consultant.

### **Project Updates:**

- Staff met with fire marshal regarding existing diesel fire pump project and is evaluating best course of action to complete the diesel fire pump project to bring it up to fire and building code requirements. Permitting process is continuing with the City and project is expected to complete by end of year.
- Procurement is currently vetting the viability and suitability of an energy savings performance contract as recently provided for in amendments to the San Diego Municipal Code for the procurement of specialized energy projects. If appropriate, an energy savings performance contract would provide financing, design, and construction of a replacement roof system and installation of solar on the west building in exchange for a negotiated contract sharing the cost savings generated.

### **Finance significant areas of focus**

- Accounting Manager and Accounts Payable specialist have been onboarded.
- Final revisions are taking place for the financial system conversion, with a slight delay due to project manager retirement. Cutover of financial management systems will occur in early January with user training in progress over the next few weeks. The facility management platform conversion (Venue Ops) is planned to cut over in the spring.
- PPP2 forgiveness application process has been opened. Anticipated submission date for the remaining \$2M will be by end of March 2022.
- Marshal Yard planning to locate a new location when our lease expires next March will begin after the holidays. Planning with Freeman to detail proper specification needed. Will coordinated efforts with the City and Port for opportunities locally.
- City Compliance Officer to follow up to a FY2017 performance audit after the holidays related to funding mechanism of capital and maintenance needs related to the Convention Center. They are engaged in conversations with the Port related to long-term maintenance needs.

### **IT Systems areas of focus**

- IT staff are working with key stakeholders in Operations to identify software needs related to work order management and staff scheduling to identify viable solutions to leverage better reporting, streamline data and track labor. Solutions identified will integrate into the ERP platform upgrades at a later phase.
- IT staff will be working with HR consultant to hire an HRIS manager after the holiday period. Planning is underway for a conversion of payroll, labor management and scheduling systems in order to allocate resources using a more efficient and automated process for managing operations labor pool. Enhanced reporting and analytical tools are part of the conversion strategy.