

SAN DIEGO CONVENTION CENTER CORPORATION
SPECIAL BOARD OF DIRECTORS MEETING

MONDAY, APRIL 20, 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 March 26, 2020**
- B. Authorization to Amend Contract for Elevator/Escalator Maintenance**

Action Item(s):

- C. Budget Committee (Carol Kim)**
 - (1) Authorization to Approve Revised Fiscal Year 2021 Budget**
 - (2) Authorization to Place Property, General and Umbrella Liability, Workers' Compensation and Directors & Officers Insurance Through the Brokerage Services of Marsh & McLennan Agency**

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. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

Pursuant to Govt. Code Section 54956.9(d)(1) (3 cases)

Case No. 37-2018-00060167-CU-BC-CTL

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. 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 MARCH 26, 2020
Via Teleconference

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

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

1. **Call to Order**

Chair Jaymie Bradford called the Board Meeting to order at 12:04 p.m. in the Executive Boardroom of the San Diego Convention Center Corporation, 111 West Harbor Drive, San Diego, CA 92101. Chair Bradford then called roll to determine which Directors were present on the teleconference:

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

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

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

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

Consent Agenda:

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

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

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

Vote: Unanimous

AYES: 6 NAYS: 0 ABSTENTIONS: 0

Action Item(s):

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

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

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

Vote: Unanimous

AYES: 6 NAYS: 0 ABSTENTIONS: 0

C. Executive Committee (Carol Kim)

(1) Authorization to Approve Fiscal Year 2021 Budget

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

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

Director Jacobson - Aye

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

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

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

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

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

(3) Authorization to Purchase Security Surveillance Video Servers

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

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

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

D. Sales & Marketing (Allan Farwell)

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

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

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

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

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

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

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

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

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

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

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

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

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

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

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

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

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

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

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

Chair Bradford – Aye
 Director Lai – Aye

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

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

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

CERTIFICATION

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

Allan Farwell, Secretary

DRAFT

Agenda Item 3.C.1

SAN DIEGO CONVENTION CENTER CORPORATION

MEMORANDUM

TO: Board of Directors

FROM: Carol Kim, Budget Committee Chair

DATE: For the Agenda of April 20, 2020

RE: Review of Revised Fiscal Year 2021 Proposed Budget (since BOD approval 3-26-2020)

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 based on our budget process consists of three main phases: budget development, budget review and balancing of the reserves to maintain minimum goal levels. **Due to the COVID-19 pandemic, reserves are anticipated to be depleted during FY2021 as Corporation is facing an operating loss, debt service obligations and servicing critical needs capital items.** We start the budgeting process with developing a three-year outlook. Staff input requirements and Finance Department review and benchmark against trends. Concurrently, a 10-yr Capital Improvement Plan (CIP) is developed and scheduled with focus on the immediate three years. Both proposed budget and 10-yr CIP are balanced against the reserves until all three elements are in alignment. The FY2021 strategic focus is to begin the roof replacement project with focus on the original (“West Building”) roof through a debt financing mechanism to maintain safe and quality show presence to our clients to maintain our superior quality service for events.

DISCUSSION

The FY2021 Budget approved on March 26, 2020, produced Net Operating Revenues of \$2,714,800 compared to \$2,027,200 in the FY2020 Budget. Based on continued evolution of the COVID-19 pandemic, recent mandates from the Governor of California declared limited social gathering through July 2020. Convention Center staff revised FY21 budgetary impacts to exclude July event activity from the prior approved budget, causing a FY2021 Net Operating Loss of (\$1,009,908). Debt Service Obligation originally approved as \$1,723,900 consisted of IBank and Storage Warehouse obligations. Corporation qualified for CARES Act funding through the Paycheck Protection Program of \$4.2 million with estimated debt forgiveness of \$3.0 million to cover lost wages during the last quarter of the fiscal year. Debt payments related to the CARES Act loan increase estimated debt payments annually by \$250,000. Total Debt Service Obligations exceed available reserves reducing available payment obligations to \$1,572,844. Corporation requests the City cover the second installment of IBank interest payments due 2/1/2020 of \$431,000.

On April 1, 2020, City of San Diego exercised its authority to use the Center as a temporary homeless shelter as a collective effort to alleviate the threat of illness caused by the outbreak of the novel coronavirus, COVID-19. Corporation supports this operation by providing incident command, security, cleaning and coordination of shelter efforts in conjunction with the City. Revised FY2021 assumes the temporary shelter will not be operational past June 30, 2020.

The Corporation forecasts to begin FY2021 with a projected beginning Operating Reserve balance of \$5,018,452 after factoring the effects of COVID-19 fallout through July with accounting for the loan forgiveness. Corporation anticipates ancillary revenues may see a \$1,000,000 further reduction than budgeted with the economy facing a slow recovery initially. Corporation will take mitigating cost reduction measures in the early part of FY21 in addition to what is budgeted and will adjust equitably as business resumes. After factoring mitigating cost measures, funding Debt Service Obligations (\$1,572,844) and Capital Outlays (\$2,435,700), Operating Reserves will be depleted.

Categorical differences between the FY2021 Proposed Budget and FY2020 Budget compared to FY2020 Forecast are detailed below. Forecast FY2020 in all categories are all affected by COVID-19 impacts as projected through May 2020.

TOTAL OPERATING REVENUES

Overall revenues reduced from \$42.7 million to \$37.7 million, which is (\$4,959,990) or 11.6% decrease from the FY2021 budget approved last month. All categories decreased with the exception of City funding of \$2,186,400, which is entirely passed through to San Diego Tourism Authority for contracted Sales and Marketing efforts.

PERSONNEL EXPENSES

Total Personnel expense originally budgeted in FY2021 of \$24.5 million was further reduced by (\$915,372) for a total of \$23.6 million. FY2021 budget includes a continued cost mitigation plan that accounts for personnel reductions, furlough and layoff extension made during FY2020.

Cost mitigation plans included:

- Exempt staff designated as essential employees originally were planned to have wages reduced by 20% in April. Due to the Paycheck Protection Program guidelines for the SBA loan requirement, Corporation decided to forego FY2021 scheduled incentive increases as well as mandated time off to draw down PTO balances equivalent to the 20% reduction. Corporation believes this also will help preserve leadership employment efforts through this difficult time.

- Full-time staff (including represented employees and exempts deemed non-essential) that were furloughed or temporarily laid-off will return to work as business resumes.
- Part-time staff were laid off beginning late March until business resumes, with the exception of a few security officers and cleaning service workers
- A number of positions subject to Reduction in Force will not be refilled.

Further cost saving measures planned to extend into FY2021 not budgeted includes:

- Scheduled merit increases due July 1 will be delayed to later in the calendar year if business resumes to support the reinstatement.
- Anticipated extended furlough or conservative staffing during the initial term of FY2021 until event levels resume
- Step increases for represented staff may be delayed following discussions with Union representatives.
- Vacation sell back program suspended with anticipated savings of \$200,000 than prior year.

Savings in health insurance premiums of (\$311,200) offset increased projected unemployment insurance claims of (\$105,000) in FY2021.

UTILITIES

Utilities expense originally budgeted for FY2021 of \$4,507,670 was reduced by (\$300,000) to \$4,207,670 with the assumption there would be no business activity in July 2020.

INSURANCE

Insurance Premiums estimated in the FY2021 original budget of \$603,340 were further reduced by (\$19,930) to \$583,410 due to final renewal pricing obtained during April 2020.

TOTAL OPERATING EXPENSE

Total Operating Expense originally budgeted for FY2021 of \$39,991,190 was reduced by (\$1,235,302) to \$38,755,888 based on the variances noted above.

NET OPERATING REVENUES/ (EXPENSES)

Net Operating Expenses over Operating Revenues are budgeted at a net loss of (\$1,009,908) based on the assumption social gatherings will not be permitted until August 2020.

If we assume the restriction on gatherings extends longer into the year with a slow economic recovery, Corporation will face further personnel cuts, extended furloughs and challenges operationally maintaining the business operations, repair and infrastructure demands the building faces. Corporation continues to research opportunities for loans, grants and support in conjunction with City officials.

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 incurred during FY2021 are planned to be reimbursed from debt proceeds to be issued in FY2022.

Due to reduced contributions from the City over the years with more demand to fund capital projects from operating surplus, SDCC will need to procure a debt financing mechanism in order to replace the West Building roof. Staff obtained a lease proposal to support the design and West side roof replacement estimated to cost \$6.8 million. Additionally, the East Building roof would need replacement within the next five years, with the metal portion already exceeding its useful life.

OPERATING RESERVES

Operating Reserves are expected to be eliminated, reducing the balance to \$0 from a forecast ending balance in FY2020 of \$5,018,452. FY2021 Budgeted Operational deficit of -\$1.0 million reduced by Debt Service payments \$1.5 million further reduced by Capital Outlay costs of \$2.4 million account for the decrease in reserve balance.

STAFF RECOMMENDATION

Approve authorization of FY2021 Proposed Budget and 10-Year Capital Improvement Plan for submission to the City of San Diego for council approval.

_____/s/_____
Carol Kim
Budget Committee Chair

Agenda Item 3.C.2

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 April 20, 2020

RE: Authorization to Place Property, General and Excess Liability, Workers' Compensation, Director's & Officers, and Employment Practice Insurance through the Brokerage Services of Marsh & McLennan Agency

BACKGROUND

The Corporation's Property, General & Excess Liability, Workers' Compensation, Directors & Officers, and Employment Practice Liability insurance policies expire April 30, 2020.

DISCUSSION

In April 2018, Corporation issued a formal Request for Proposal (RFP) to brokers qualified through an initial Request for Qualification (RFQ) process. Through this process, the Corporation awarded Marsh & McLennan an initial term of one-year with the option to extend for two (2) additional one-year periods. Staff exercised the last one-year option for comprehensive insurance package services for all of the Corporation's insurance policies.

Property

A comprehensive all risk property package insures total building value of \$768,000,000 (this amount reflects an increased value of \$7,100,000, which was due mainly to the industry building index factor). Total premiums (before allocations to the City of San Diego and the Port of San Diego) are \$276,500, which is \$57,900, or 26% higher, than the expiring policy. Net property rate is \$.036 per \$100 of property value, 25% higher than the expiring rate. Corporation's share of net premium (after deducting for amounts billed back to the City and the Port) is \$222,200, an increase of \$46,500, or 26%, compared to the expiring policy.

This year's increased rate is due to overall property market conditions, which continue to worsen as brokers are seeing the highest average rate increases in the past 10 years. Increased property rates are due mainly to higher-than-average attritional losses over the past three years, record catastrophic losses in 2017, higher-than-average losses in 2018, and increasing reinsurance costs.

In marketing our property program, Marsh received six quotes, including the incumbent, Affiliated FM. Three carriers declined to quote based on non-competitive pricing, one declined based on premium size, and one provided a quote over \$500,000. Early indications had pegged the rate increase at +30%. Therefore, a 25% increase in rate is very competitive and under the market rate.

Staff recommends authorizing Marsh to renew property policy with the incumbent, Affiliated FM.

General Liability

According to Marsh, general liability underwriting results continue to deteriorate for many insurers. With jury verdicts increasing and severity trends driven by social inflation, has resulted in underwriters attempting to renew at an increased rate. However, SDCC's favorable loss experience, exposure class, and risk transfer in our License Agreements, have significantly mitigated the market rate increases (about 10% to 20%). As a result, Scottsdale Indemnity (incumbent) provided a renewal quote with just a 1% rate increase.

The proposed general liability policy is for \$1,000,000 base coverage, including a single occurrence deductible of \$100,000. Additionally, this policy includes \$1,000,000 bodily injury for each occurrence, with a \$2,000,000 aggregate, caused by a "transmissible pathogen", which includes COVID-19 related claims. Total quoted premium is \$19,600, a decrease of \$3,100, or 14% lower than the expiring policy. This year's decrease is attributable mainly to lower attendance resulting from COVID-19 related canceled events.

Staff recommends authorizing Marsh to renew general liability policy with the incumbent, Scottsdale Indemnity.

Excess Liability

The Corporation is required to maintain comprehensive excess liability insurance with limits of \$50 million. Marsh secured quotes for \$25 million over the \$1 million base and is working with underwriters to secure the remaining \$25 million. Due to the timing of the Board meeting on 04/20/20, Marsh has provided an estimate for the total excess liability at a cost of \$85,000, an increase of \$23,000, or 37% higher, compared to the expiring policy.

Excess rates have been rising dramatically the past year due to social inflation and higher jury awards. As a result, some carriers have left the market with limited replacements entering the market prior to the COVID-19 pandemic disruption. Now carriers are writing business in a time of uncertainty and are therefore more selective in their risk coverage. Additionally, with the Convention Center currently operating as a homeless shelter, excess underwriters are re-evaluating their risk exposure and pricing accordingly. Under normal circumstances, this is not a class of business excess underwriters would

typically insure.

Workers' Compensation

The recommended workers compensation program is under-written through incumbent, Travelers. As with the current year's program, the proposed Travelers program is a high deductible (\$250,000 per claim) program requiring a fixed base of non-refundable premiums, assessments, and fees totaling \$141,500, an increase of \$3,500, or 2.5% higher, than the expiring program. The net workers' compensation rate is \$.78 per \$100 of payroll, 1% higher than the expiring policy. The Travelers package does require an additional collateral contribution of \$180,000 due to prior year's high Incurred Losses. Including the projected claim costs of \$300,000, the overall program costs are expected to be approximately \$441,500.

As a comparison to the high deductible program, we received two competing quotes for a guaranteed premium package. ICW quoted \$723,500, while State Fund provided an indication ranging from \$923,000 to \$1,000,000. Based on the high cost of the guaranteed premium program, the large deductible program will likely yield significant cost avoidance over the guaranteed premium program.

Directors & Officers (Including Employment Practice, Fiduciary Liability, and Crime)

Marsh submitted a package written through the incumbent, Zurich. The one-year policy provides a \$3,000,000 coverage limit, a \$100,000 retention for Director's & Officers, and \$125,000 for Employment Practice (EPL). A retention increase of \$25,000 for the EPL from \$100,000 to \$125,000 is still lower than most carrier policy's minimum retention of \$250,000. Total premiums resulted in \$57,000, an increase of \$9,300, or 19%, compared to the expiring policy. The premium increase is due mainly to the current firming market conditions and recently filed claims.

RECOMMENDATION

Authorization to place Property, General and Excess Liability, Workers' Compensation, Directors & Officers, and Employment Liability Insurance through the brokerage services of Marsh Risk & Insurance Services as detailed in the discussion above for a period of three years, with an option to extend the placement for one two-year period.

/s/

Carol Kim
Budget Committee Chair