

Agenda Item 3.A

MINUTES*
SAN DIEGO CONVENTION CENTER CORPORATION
THE BOARD OF DIRECTORS

BOARD MEETING OF September 27, 2023

BOARD MEMBERS PRESENT: Chair Carlos Cota and Directors Jeff Gattas, Will Rodriguez-Kennedy, Jaymie Bradford, and Alyssa Turowski

BOARD MEMBER(S) ABSENT: Directors Shawn VanDiver and Carol Kim

STAFF PRESENT: Rip Rippetoe, Mardeen Mattix, Corey Albright, Andy Mikschl, Michael Milligan, Victoria Mitchell, 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 Carlos Cota 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 Cota then called roll to determine which Directors were present:

Director Cota – Present
Director Gattas – Present
Director VanDiver - Absent
Director Bradford – Present
Director Rodriguez-Kennedy – Present
Director Turowski– Present
Director Kim – Absent

All Directors were recorded as present except Director Shawn VanDiver and Director Carol Kim. Chair Cota noted that all votes taken during this meeting would be recorded via roll call vote.

2. **Non-Agenda Public Comment** – Chair Cota inquired if any member of the public wished to comment on any non-Agenda items. No members of the public responded to the request for comment.

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

Consent Agenda:

A. Approval of Minutes of Board Meeting of August 23, 2023.

Chair Cota inquired if any Director would like to pull a Consent Agenda item for discussion. Hearing no request to pull a Consent Agenda item, Chair Cota then inquired if any member of the public wished to comment on Agenda Item (3.A). No members of the public responded to the request for comment.

After request for Director discussion and for public comment, Directors Turowski and Rodriguez-Kennedy moved and seconded, respectively, to approve the Consent Agenda as set forth hereinabove.

**Director Cota – Aye
Director Gattas – Aye
Director VanDiver – Absent
Director Bradford – Aye
Director Rodriguez-Kennedy – Aye
Director Turowski – Aye
Director Kim – Absent**

Vote: Unanimous

AYES: 5

NAYS: 0

ABSTENTIONS: 0

Action Item(s):

B. Budget Committee)

(1) Acceptance of Financial Report from Chief Financial Officer

Ms. Mattix reported the following:

- The month of July 2023 met budget expectations, with ESRI and Comic-Con contributing significantly (92% of revenue). There were a total of 5 events hosted, including 2 Citywide events and 3 local meeting/association events.
- Most expense categories are under budget, except for utilities, which experienced a record high cost of nearly \$900,000 during the month.
- Operating results were close to breaking even for the month. However, there was a reduction of \$.6M due to the IBank principal debt payment. Unrestricted reserves started the year at \$29.2M and currently stand at \$28.5M.
- Field work for the Corporation's 2022 financial audit is nearly completed.

- The Human Resources Department is fully staffed, and the Department has instituted a paid EAP which offers confidential emotional, financial, legal and identity theft counseling 24 hours a day, 7 days a week, 365 days a year. This benefit is available to all staff (full and part-time employees) as well as any of their household members via chat, text, and tele-video communication options.
- Staff continues its collaboration with the City and Port regarding a structured 25-year license/lease PPA solar initiative in addition to a roof replacement project. All of the entities involved in the process are evaluating financing mechanisms and approval processes.

Director Carol Kim arrived at the meeting at 12:10 p.m.

After Ms. Mattix submitted her report, Chair Cota inquired if any member of the public wished to comment on Agenda Item 3.B.1. No members of the public responded to the request for comment.

After presentation by Staff, Directors Kim and Rodriguez-Kennedy moved and seconded, respectively, to Accept the CFO Financial Report from the Chief Financial Officer.

**Director Cota – Aye
 Director Gattas – Aye
 Director VanDiver – Absent
 Director Bradford – Aye
 Director Rodriguez-Kennedy – Aye
 Director Turowski – Aye
 Director Kim – Aye**

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

(2) Authorize Approval of Change Order to Window Sealant Replacement Contract

Chair Cota called for a staff report regarding this item. After staff submitted its report, Chair Cota inquired if any member of the public wished to comment on Agenda Item 3.B.2. No members of the public responded to the request for comment.

After presentations by Staff, Directors Gattas and Kim moved and seconded, respectively, to Authorize Approval of a Change Order to the Window Sealant Replacement Contract which revised the project budget from \$290,000 to \$400,000.

**Director Cota – Aye
 Director Gattas – Aye
 Director VanDiver – Absent
 Director Bradford – Aye
 Director Rodriguez-Kennedy – Aye**

Director Turowski – Aye
Director Kim – Aye

Vote: Unanimous

AYES: 6

NAYS: 0

ABSTENTIONS: 0

C. Sales & Marketing Committee (Jeff Gattas)

Andy Mikschl presented the following report:

- The Sales team continues to take a very selective approach regarding the short-term events they are booking.
- The short-term Sales team booked two new events.
- Mr. Mikschl invited SDTA President & CEO, Julie Coker, to report on long-term sales results.
- Ms. Coker reviewed the statewide master tourism plan wherein \$46 million will be distributed to four California gateway cities to promote tourism. She also discussed the master tourism sustainability plan.
- Ms. Coker noted a major event has been booked at the Center in 2032 and she further noted that the funnel of potential business currently has over 700,000 room nights compared to 280,000 room nights during the same period in the peak year of 2019.
- Comic-Con is in the process of exploring hotel contract opportunities.
- The organizational efforts for the upcoming PCMA event are all-consuming. Current booked event attendance is lower than 2020 but higher than last year. The PCMA event will be an opportunity to reeducate the industry regarding all San Diego has to offer.
- The sales team recently hosted an event in Atlanta, Georgia which was attended by 70 association CEOs, 50% of which were new to the event.
- The team will also be hosting events in New York and Philadelphia and will have a presence at the IMEX event in Las Vegas.
- The SDTA team has an opening for a VP of Sales position which will focus on hotel event sales.
- CalTravel is still attempting to resolve the issue of the long wait times associated with obtaining visas to visit the U.S. for conferences.

After staff submitted its reports, Chair Cota inquired if any member of the public wished to comment on Agenda Item (3.C). No members of the public responded to the request for comment. No vote was required on this item as it is a Sales & Marketing Committee update.

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

- Mr. Rippetoe acknowledged Director Kim's recent John S. Lyons award for "Labor Leader of the Year."
- Bobby Ramirez has been promoted to Area Vice-President by Sodexo Live! and Dorianne Mormann has been elevated to the position of the Convention Center's General Manager by Sodexo Live!

- The Wall Street Journal named the San Diego Convention Center as the number four center in the Nation.
- The United Nation’s World Tourism Organization celebrates World Tourism Day today.
- Starting in October, a COO report will be added to the Board agenda.
- Paul Turner, the Center’s new General Manager, will start his position at the Convention Center on Monday, October 2, 2023.

After staff submitted its report, Chair Cota inquired if any member of the public wished to comment on Agenda Item (4). No members of the public responded to the request for comment.

5. Chair’s Report (Carlos Cota) – Chair Cota reported:

- Pursuant to Board policy, Chair Cota appointed the following Board Directors to serve on the Board’s Ad Hoc Nominating Committee: Director Cota, Director Turowski and Director Kim. This Committee will determine the slate of officers that will be voted upon for 2024 Board service.
- The next Board meeting is scheduled for October 25, 2023, at Noon.
- Director Cota also provided an overview of his tour of the Westside Kitchen remodel project.

6. Board Comment [Govt. Code § 54954.2(a) (2)] – Director Gattas discussed his recent attendance at the annual IAVM Venue Connect conference held this year in Pittsburgh. The conference covered notable trends within the convention industry and Director Gattas observed that the San Diego Convention Center was better positioned than most other venues, post-Covid, to resume business. Director Gattas also had an opportunity to observe how politics of the business plays out in other cities and impacts convention business. He would recommend that Directors attend this event if given the opportunity.

Director Bradford reported that the San Diego Chamber’s Binational Delegation trip to Mexico City is scheduled for October 8-11, 2023.

7. Urgent non-agenda items (must meet the requirements of Government Code, Section 54954.2): **None**

8. Closed Session: The Board entered into closed session at 1:09 p.m. to discuss the items set forth herein below.

A. CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2): (1 case)
Facts and circumstances pursuant to Government Code Section 54956.9(e)(1)

The Board returned to open session at 1:32 p.m.

Reporting out of closed session, General Counsel Lyon stated that the Board discussed item “8.A,” and direction was given but no reportable action was taken.

There being no further business, the meeting adjourned at 1:32 p.m.

I, Will Rodriguez-Kennedy, 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 September 27, 2023, and that said minutes were approved by the Board of Directors on October 25, 2023.

[Approved at Board Meeting of October 25, 2023]
Will Rodriguez-Kennedy, Secretary