

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

**WEDNESDAY, JUNE 28, 2023, NOON
111 W. Harbor Drive, 2nd Floor, Executive Boardroom
San Diego, California 92101**

AGENDA

**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 – Carlos Cota, 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 April 26, 2023 and June 16, 2023

Action Item(s):

B. Executive Committee (Carlos Cota)

(1) Strategic Plan Update

C. Budget Committee (Shawn VanDiver)

(1) Acceptance of Financial Report from Chief Financial Officer

(2) Authorize Approval of Carpet Purchase and Installation Costs

(3) Authorize Ratification of Chiller Rental and Chiller Repair Costs

**(4) Authorize Ratification of Rental Cost for Temporary Generator for
Emergency Backup and Cost of West Generator Repair**

D. Audit Committee (Will Rodriguez-Kennedy)

**(1) Authorize Acceptance of CY 2022 MPPP Audited Pension Financial
Statements**

E. Sales & Marketing Committee (Jeff Gattas)

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

4. President's Report (Rip Rippetoe)

5. Chair's Report (Carlos Cota)

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

7. Urgent non-agenda items (must meet the requirements of Government Code, Section 54954.2)

8. Closed Session

A. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION

**Initiation of litigation pursuant to Government Code section 54956.9 (d)(4)
(2 cases)**

B. EMPLOYEE PERFORMANCE EVALUATION

Government Code Section 54957

Title: President & CEO

3. Action Item(s) Cont.

**F. Approval of a Resolution of the San Diego Convention Center Corporation, Inc.
Authorizing a One-Time Payment of a Retention Incentive Stipend to the
President and CEO of the Corporation**

Adjournment

This information is available in alternative formats upon request. To request an agenda in an alternative format, or to request a sign language, oral interpreter, an Assistive Listening Device ("ALD"), or other reasonable accommodation for the meeting, please call Pat Evans at (619) 525-5131 at least two working days prior to the meeting to ensure availability. **Audio copies of Board of Director meetings are available upon request. Please contact Pat Evans at (619)525-5131 or pat.evans@visitsandiego.com to request a copy.**

In compliance with Government Code section 54957.5, non-exempt written material that is distributed to the Board prior to the meeting will be available at the meeting or it may be viewed in advance of the meeting online at visitsandiego.com. Materials distributed to the board after the posting of this agenda also will be available. Please contact Pat Evans at (619)525-5131 or pat.evans@visitsandiego.com if you would like to receive a copy of any material related to an item on this agenda.

Action items on this agenda may be consolidated for voting purposes into a single vote of the Board, to the extent they are routine or otherwise do not require further deliberation. A Board member may comment on an action item before it is voted upon as part of the consolidated vote; however, if a Board member wishes to discuss an action item, that item will not be included in the consolidated vote. If a member of the public wishes to comment upon an action item, they should so advise the Board chair at or before the public comment portion of the meeting, in which case that item will not be included in any consolidated vote.

Agenda Item 3.A

MINUTES*
SAN DIEGO CONVENTION CENTER CORPORATION
THE BOARD OF DIRECTORS

BOARD MEETING OF APRIL 26, 2023

BOARD MEMBERS PRESENT: Chair Carlos Cota and Directors Jaymie Bradford, Will Rodriguez-Kennedy and Alyssa Turowski
BOARD MEMBER(S) ABSENT: Directors Jeff Gattas, 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, Victor Botello and Lisa Casella, Marsh & McLennan representatives

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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.

Director Cota then called roll to determine which Directors were present:

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

All Directors were recorded as present except Director Gattas, Director VanDiver, and Director 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:

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.

A. **Approval of Minutes of Board Meeting of March 29, 2023**

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

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

Vote: Unanimous

AYES: 4

NAYS: 0

ABSTENTIONS: 0

Director Gattas arrived at 12:10 p.m.

Action Item(s):

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.

B. Budget Committee (Shawn VanDiver)

(1) Acceptance of CFO Financial Report from Chief Financial Officer

- Ms. Mattix reported that March financials are moving along favorably as anticipated.
- March produced slightly less revenue than anticipated due to an event cancellation; however, the Corporation's financials are still tracking year-to-date where revenues have exceeded the budget by \$3.5 million.
- From an expense standpoint, it is nice to see that the Personnel line item is coming close to budget and forecast which means that the Corporation has been able to make significant progress on hiring additional staff and reducing unfilled positions.
- From supplies and services and all of the repair and maintenance general expenses, those items are tracking right on budget to what was expected. Some of the repair

- and maintenance items are trailing by a little but we do anticipate that we will be hitting the forecast marks by year end.
- Ms. Mattix also shared the difference between the February and March make-up of events and the impact on the budget.
 - In February, the Center generated \$5.5 million of operating revenue with two corporate events and four conventions. That month had an estimated regional impact to San Diego of \$152 million.
 - In March the Center hosted seven conventions and smaller events which generated approximately \$4.2 million of revenue and had approximately \$40 million less in regional economic impact.
 - These numbers are good, and we are fortunate to have the quality of events we have in San Diego; however, when you note fluctuations in revenue, it really highlights the impact of corporate events and tech shows which generate larger revenues.
 - The Corporation will be cost neutral by the end of the year and we anticipate reserves will be approximately \$25 million at the end of the fiscal year.

Directors Gattas and Turowski 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 – Absent**

Vote: Unanimous

AYES: 5 NAYS: 0 ABSTENTIONS: 0

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.

(2) Authorize Purchase of Work Order System

After presentations by Staff, Directors Bradford and Gattas moved and seconded, respectively, to authorize a three-year contract with NEXGEN for Purchase of a Work Order System (CMMS), including software licensing and implementation, for a total cost of \$316,981.25.

**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

C. Audit Committee (Will Rodriguez-Kennedy)

Chair Cota 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) Authorize Placement of Property, General and Umbrella Liability, Workers' Compensation and Directors & Officers Insurance Through the Brokerage Services of Marsh & McLennan Agency

After presentations by Staff, Directors Rodriguez-Kennedy and Turowski moved and seconded, respectively, to Authorize Placement of Property, General and Umbrella Liability, Workers' Compensation and Directors & Officers Insurance Through the Brokerage Services of Marsh & McLennan Agency.

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

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

D. Sales & Marketing Committee (Jeff Gattas): Director Gattas reported that there were no Action Items presented at today's Sales & Marketing committee meeting; however, he did request that Mr. Mikschl provide a committee update.

Mr. Mikschl reported that the short-term team (events within 18 months) booked four events last month. The team is continuing to be selective regarding the types of events booked. One of the events booked on a very short-term basis, will be held next week and staff anticipates it will generate approximately \$150,000 of revenue. Two events booked are smaller events which the team hopes will grow into larger events and the last event, Live Well San Diego, is a repeating community-based event.

The short-term team being selective about the event make-up booked will allow the team to focus on leaving openings for anticipated maintenance demands such as the window sealant project that is occurring now. Elevator doors "N" and "O" can also be repaired now due to an opening in bookings for the Sails Pavilion.

Overall, event attendance is very strong with large city-wide conventions. The current in-house convention (ATP) is also seeing strong attendance which will hopefully translate to additional ancillary revenues (food & beverage, AV, etc.)

Ms. Coker reported that the long-term sales team has currently booked approximately 338,000 room nights compared to 2019, when the team had booked 220,000. The team is on pace to hit their room night goal by the end of the fiscal year (June 30, 2023).

The number of tentative bookings has increased to 915,000 room nights. These are room nights in the “funnel” which are waiting to be converted into definite bookings. The long-term team is also practicing strategic booking wherein they are booking business in the near future versus booking groups who want to book event business ten to twenty years into the future. The event booked in March is scheduled for 2024.

The long-term team is traveling to client events to promote San Diego. Kavin is participating in a Visit California event in Denver, and he will also be visiting Seattle in an attempt to attract corporate events to San Diego.

The long-term sales team has hired Ashley, a former member of the Hilton’s city-wide team, to join the Chicago sales team.

Mr. Mikschl provided an update regarding the Chicago sales event in early April. He reported that there were 80 – 100 clients from the Chicago area in attendance at this annual event sponsored by SDTA for the Chicago Cubs opening day. Eight to ten San Diego hotel partners as well as SDCC and SDTA staff also attended the event. This was the first time the event has occurred in three years due to covid, so clients were pleased to have it happening again. The client attendance was a mix of existing and new clients and it was an excellent opportunity to market to new potential clients and to remind current clients to sign outstanding contracts.

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

- Mr. Rippetoe reported that the San Diego convention market is recovering more quickly than other destinations. The sales teams are focusing on booking high impact events with high individual client spends.
- He thanked Directors Rodriguez-Kennedy and Turowski for attending the April employee Town Hall meetings. There was a good turnout for the entire team.
- Staff is continuing recruitment for the General Manager position.
- The Center has received high scores from the revamped client surveys particularly in areas of Public Safety, Event Management staff knowledge and sustainability. The survey results show that the Center is listening to and addressing the needs of its customers.
- The PCMA annual meeting will be hosted in San Diego January 7 – 10, 2023. Staff will provide updates regarding events Directors may be interested in attending.
- Staff participated with the Chicano Federation Food Bank activity and attended the Food Bank Gala. There will be another volunteer opportunity on May 13th. The SDCCC team will be assisting the Supply Bank assembling school supply kits in three shifts from 9:00 a.m. to 7:00 p.m. The goal is to assemble 10,000 kits. Directors are welcome to participate.

- Director Rodriguez-Kennedy commented on the success of the Town Hall meetings. He was particularly impressed with the number of employees who acknowledged their supervisors and managers with complimentary “shout-outs.” The employees appeared to be very engaged and enthusiastic. Director Turowski noted the impressive attendance of employees at the meetings and the energy of the employees and staff presenters.
- The Corporation continues to invest in continuing education for staff with IAVM Venue Management School and Venue Safety & Security School.

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

- There is no regularly scheduled meeting for the month of May, so, the next Board meeting will take place on June 28, 2023, at Noon.
- Staff will also need to schedule a “Special” Board meeting for July 12, 2023, at Noon to consider the issue of new SDCCC uniforms. Please respond to the meeting notice so we can confirm we have a quorum for that meeting.

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

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

9. **Closed Session:** The Board entered into closed session at 11:53 a.m. to discuss the items set forth hereinbelow.

**A. Threat to Public Services or Facilities
Government Code section 54957
Consultation with: President & CEO/General Counsel**

The Board returned to open session at 1:42 p.m.

Reporting out of closed session, General Counsel Lyon stated that the Board discussed item “9.A,” and direction was given but no reportable action was taken.

There being no further business, the meeting adjourned at 1:43 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 April 26, 2023, and that said minutes were approved by the Board of Directors on June 28, 2023.

Will Rodriguez-Kennedy, Secretary

Agenda Item 3.A

MINUTES*
SAN DIEGO CONVENTION CENTER CORPORATION
THE BOARD OF DIRECTORS

SPECIAL BOARD MEETING OF JUNE 16, 2023

BOARD MEMBERS PRESENT:	Chair Carlos Cota and Directors Jeff Gattas, Shawn VanDiver, Will Rodriguez-Kennedy and Carol Kim
BOARD MEMBER(S) ABSENT:	Directors Jaymie Bradford and Alyssa Turowski
STAFF PRESENT:	Rip Rippetoe and Pat Evans (Recorder)
ALSO PRESENT:	

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1. Call to Order

Chair Carlos Cota called the Board Meeting to order at 12:09 a.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 on the teleconference:

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

All Directors were recorded as present except Director Bradford and Director Turowski.

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

3. **Closed Session:** The Board entered into closed session at 12:00 p.m. to discuss the items set forth below.

A. EMPLOYEE PERFORMANCE EVALUATION
Government Code Section 54957
Title: President & CEO

The Board returned to open session at 1:35 p.m.

Reporting out of closed session, General Counsel Lyon stated that the Board discussed item “3.A.” General Counsel further reported that Director Gattas left closed session at 1:10 p.m.; however, there was a quorum of Directors present during the entire closed session. Regarding Agenda Item “3.A,” direction was given, but no reportable action was taken.

There being no further business, the meeting adjourned at 1:36 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 June 16, 2023, and that said minutes were approved by the Board of Directors on June 28, 2023.

Will Rodriguez-Kennedy, Secretary

Agenda Item 3.B.1.

1. Grow and Nurture Culture

Build a thriving team, provide high-quality jobs in the community, and earn a reputation as a top workplace.

OBJECTIVES

- Stabilize workforce by offering competitive compensation, career progression opportunities, and safe working conditions.
- Strengthen management by reinforcing a culture of trust, respect, and accountability.
- Reinstigate sense of purpose, commitment, and loyalty among staff.

■ Completed or on track
 ■ Delayed
 ■ Reprioritized

	FY23 KPIS/MILESTONES	ORIGINAL GOAL DATE	STATUS NOTES
	Fill core HR positions.	12/22	Completed.
	Reduce time to hire from 99 days to 84 days (national benchmark is 62 days).	6/23	On track.
	Reduce turnover by tenure within first 3 months of hire from 55% to 40%.	6/23	Delayed.

1. Grow and Nurture Culture

Build a thriving team, provide high-quality jobs in the community, and earn a reputation as a top workplace.

FY24 KPIS/MILESTONES	GOAL DATE	STATUS NOTES
Create talent acquisition program.	9/23	Original target date was 6/23. Implement the following 3 months.
Execute all union agreement renegotiations to align with objectives.	11/23	Original target date was 3/23. In progress (6 of 7 completed).
Revise onboarding program.	12/23	Original target date was 9/23. Implement the following 3 months.
Revamp safety orientation program.	6/24	Implement the following 3 months.
Develop performance management program.	6/24	Implement the following 3 months.
Create employee relations program.	6/24	Implement the following 3 months.

2. Develop a Facility Maintenance and Improvement Program

Maintain our building to continue to be a premier gathering place.

OBJECTIVES

- Reduce reactive repairs and maintenance.
- Increase capital project planning and phased asset replacement.
- Develop long-term funding plan.

■ Completed or on track
 ■ Delayed
 ■ Reprioritized

	FY23 & 24 KPIS/MILESTONES	ORIGINAL GOAL DATE	STATUS NOTES
■	Hire Electrical & Mechanical Engineers.	1/23	Mechanical Engineer hired and onboarded, Electrical Engineer in post-offer background process.
■	Replace the maintenance work order system.	10/23	On track. 4/23 Board approved replacement work order system. Implementation efforts are ongoing with anticipated go-live 10/23.
■	Create proactive, routine, and major maintenance plan.	4/24	On track.
■	Develop work order metrics to measure workloads and timeliness.	6/24	On track.

3. Refine Business Model to Ensure Financial Viability

Lead revenue optimization and cost management by attracting high-quality events.

OBJECTIVES

- Optimize practical occupancy with high-spending, quality room night clients, by focusing on medical conventions and corporate events.
- Generate more ancillary revenue for in-house partners.
- Implement meeting room charges and revised overall rental policies to increase gross rent revenue by 20%.
- Optimize allocation of direct event labor.

■ Completed or on track
 ■ Delayed
 ■ Reprioritized

FY23 KPIS/MILESTONES	ORIGINAL GOAL DATE	STATUS NOTES
■ Target 65% building occupancy: 650,000+ contracted room nights booked annually for future years, high visitor spend to yield \$25M+ in annual tax revenues, and \$1B annual regional impact.	3/23	Completed. Nearly \$30M in annual tax revenue and \$1.7B projected regional economic impact for FY24.

3. Refine Business Model to Ensure Financial Viability

Lead revenue optimization and cost management by attracting high-quality events.

FY24 KPIS/MILESTONES	GOAL DATE	STATUS NOTES
Transfer responsibility to SDTA to provide economic impact figures on visitor spending.	9/23	On track. SDTA and SDCC collaborating on revising formula.
Develop and implement revised parameters regarding negotiated Food & Beverage Minimums for future events.	12/23	Meeting with SDTA team in August to review and explain revised business rules.
Update liquidated damages language on Group Confirmation Agreement (GCA) to enhance protections for SDCC in situations where clients cancel their upcoming events.	12/23	Meeting with SDTA team in August to review and explain revised business rules.
FY24 partner gross revenues to rebound to FY19 levels.	12/23	Completed.
Increase gross rental revenue booked in FY23 (for future events) by 20% compared to FY18.	1/24	On track.
Complete competitive set rental study.	3/24	
Executed contract and development of marshalling yard property.	3/24	In progress; revised target date: 3/25.
Implement scheduling software and event labor analytics to allow 4-hour shift work to optimize workforce resources.	6/24	On track.

4. Engage the Community

Strengthen relationships and enhance understanding of our economic and community impact.

OBJECTIVES

- Effectively communicate the San Diego Convention Center purpose as an economic driver and premier gathering place.
- Educate key stakeholders on the value of outside visitor spending that grows the region, alleviates taxpayer burden, and contributes to a thriving downtown.
- Strengthen relationships with community organizations, educational institutions, and industry partners to support shared success.
- Build understanding of the need to invest in our future, and the value of this investment.

■ Completed or on track
 ■ Delayed
 ■ Reprioritized

FY23 KPIS/MILESTONES	ORIGINAL GOAL DATE	STATUS NOTES
Achieve social media engagement growth of at least 10% each year.	6/23	Met goal; >10% growth achieved.
Earn positive coverage with at least 25 major media stories each year.	6/23	Met goal; 25+ major media stories earned.
Participate in at least 12 presentations or panel discussions each year.	6/23	Met goal; 18 presentations completed.
Lead or participate in at least 12 collaborative activities each year (e.g., donation drives, volunteer efforts, community events).	6/23	Met goal; led or participated in 18 community activities to-date.
Achieve purpose-driven involvement with >75% of Leadership staff participating in civic/community/industry organizations in support of our communication objectives.	6/23	50% of Leadership participating in community orgs as representatives of SDCC.

4. Engage the Community

Strengthen relationships and enhance understanding of our economic and community impact.

FY24 KPIS/MILESTONES	GOAL DATE	STATUS NOTES
Implement digital asset management system to streamline sharing of photo and video assets with media, clients, and partners.	10/24	Software selected through procurement process; implementation to begin in August.
Achieve social media engagement growth of at least 10% each year.	6/24	Planning underway for FY24.
Earn positive coverage with at least 25 major media stories each year.	6/24	Planning underway for FY24.
Participate in at least 12 presentations or panel discussions each year.	6/24	Planning underway for FY24.
Lead or participate in at least 12 collaborative activities each year (e.g., donation drives, volunteer efforts, community events).	6/24	Two community events already scheduled (San Diego Pride and Operation Clean Sweep).
Achieve purpose-driven involvement with >50% of Leadership staff participating in civic/community/industry organizations to support our communication objectives.	6/24	Maintain at least 50% involvement among Directors and above.
Light the Sails Pavilion in support of at least 48 community efforts or awareness days.	6/24	Planning underway for FY24.

Agenda Item 3.C.1

CFO Report to Budget Committee For the month ending May 31, 2023 *(As of June 23, 2023)*

Financial Outlook

Since last reported, April and May 2023 revenue out performed budget despite a few small show cancellations due to the Dreamhack Festival event (unbudgeted for April) as well as all May shows exceeding revenue projections. Year-to-date, net operating results total \$6.9M better than budget. April welcomed five (5) conventions and five (5) smaller events. May welcomed five (5) conventions and six (6) smaller events, marking a very busy spring season for the center.

Revenues year-to-date have exceeded budget by \$5.3M, largely the result of our exclusive partner sales higher than anticipated. Utility and audio visual commissions have recovered considerably over the last couple months. Digital signage and advertising continue to lag behind budget. Interest income has rebounded after suffering a significant unrealized loss in the prior year due to suppressed bond rates.

A few repair and maintenance items have been delayed due to limited space availability and resources, causing a positive variance within the expense budget. Additionally, various contracted professional services were not engaged in as planned during the year, adding further positive variance to expenses. Offsetting the positive variances are significant increased utility expenses that have exceeded budget by over \$1.0M year-to-date. Above average climate conditions were causing resource demands in the early part of the fiscal year as well as commodity price increases (a 200% rate hike!) recognized over the last few months. Staff are investigating equipment demands and metered consumption trends to detect if there are further issues causing the overage.

The corporation's year-to-date impact on operating reserves is essentially break-even after paying the IBank debt and purchasing capital needs with reserve funds. Through May, SDCC recognizes a small net gain of nearly \$500,000. Unrestricted reserves are estimated to end the year at nearly \$30M.

Strategic Plan focus work:

- **Culture: HR Strategic Plan**

We welcomed **Shannon Teem**, Controller, to the Finance team in early June. She hit the ground running, jumping into development of business intelligence reports and shadowing team members to understand the needs and culture of the business. She will focus on the year-end financial statement audit beginning in August as well as business process improvements over the coming months. Welcome to the team!

HR has made significant progress bringing on much needed talent in service departments through successful onsite job fairs in February and March. All positions in HR are filled, with the recent addition of Jason Smith, Safety & Risk manager.

HR continues to make strides on the hiring front. In fact, they have nearly returned to pre-pandemic staffing levels due to another successful hiring fair last month. Their current focus is to increase our staffing levels by about 30% over the next month to ensure we have enough temporary employees for Comic-Con. We have seen an uptick in turnover over the last few months for employees < 90 days of hire as well as others leaving just shy of a year. The main reasons appear to be lack of training and desired schedule available for new hires coupled by a needed talent acquisition program with robust onboarding experience. HR

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continues to develop talent acquisition (recruiting) and onboarding (new hire orientation) programs which will be implemented with appropriate leadership training following the busy summertime schedule.

- **Business Model: Analyzing events & KPI's**

Finance and Sales continue to collaborate on ways to create better financial benefits for all partners to generate better business for the region. Staff is focused on evaluating economic forecast tools and continue to adjust contracting strategies that support a healthy regional impact while increasing partner business to maintain operational solvency for the Center as reflected in the Program of Work.

Finance and IT staff have been focused on implementing a new business intelligence reporting system as part of the system conversion project. Nearly all core reports are complete and will be showcased in next months financial statement review. Staff will be focused on building more automated reports and developing further KPI and analytics to assist with deeper trend analysis over the next year.

Collaboration with the City

- Staff are in ongoing discussions with the City's Department of Real Estate and Airport Management (DREAM) to identify and secure a long-term marshalling yard near the convention center. Staff plan to concurrently evaluate alternatives through a real estate broker for lease and land purchase options in the event City owned property is not viable.
- Staff are currently evaluating a proposal for the re-roofing and solar installation on the west building financed through an Energy Savings Performance Contract. Staff are collaborating with the City's Debt Finance and Sustainability and Mobility Departments to vet the Opportunity. Additional information is anticipated to follow shortly.

Agenda Item 3.D.1

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

TO: Board of Directors

FROM: Will Rodriguez-Kennedy, Audit Chair

DATE: For the Agenda of June 28, 2023

RE: Authorize Acceptance of Money Purchase Pension Plan Audited Financial Report for the Plan Year Ended December 31, 2022

BACKGROUND

The San Diego Convention Center Corporation's Money Purchase Pension Plan ("Plan") was originally adopted January 1, 1986 and was most recently restated effective January 1, 2022. The Plan is the primary retirement benefit provided to over three hundred fifty (350) eligible participants, where the Corporation contributes the equivalent of 10% of an employee's annual salary to the Plan for non-represented staff after qualifying with one thousand (1000) hours worked. Contributions vest at 20% per year and are fully vested after five (5) years of services. Charles Schwab Trust Bank is the Plan trustee.

Considine & Considine was engaged to audit the financial statements and supplementary information. Per the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under Employee Retirement Income Security Act of 1974 (ERISA). ERISA is a federal law that establishes standards for health, retirement and other welfare benefit plans in order to protect both employees and employers to ensure the plan sponsor fulfills its fiduciary duty to the plan's participants.

Annually, at the conclusion of the audit, the Corporation files a Public Retirement Systems Financial Transaction Report with the State Controller's Office of the San Diego Convention Center Corporation Money Purchase Pension Plan (MPPP) performance.

DISCUSSION

The accounting firm of Considine & Considine, LLP has completed the audit of the Corporation's MPPP for the plan year ended December 31, 2022. They have served as the retirement plan auditors for many years. A two (2) year contract term started in November 2022 through November 2024, with a one (1) year option to extended.

The independent audit of the financial statements and supplementary information is complete, and

Agenda Item 3.D.1



May 30, 2023

To the Audit Committee
San Diego Convention Center Corporation Money Purchase Pension Plan

We have audited the financial statements of San Diego Convention Center Corporation Money Purchase Pension Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) [ERISA Section 103(a)(3)(C) audit] for the year ended December 31, 2022 and we will issue our report thereon dated May 30, 2023. As permitted by ERISA Section 103(a)(3)(C), our audit did not extend to any statements or information related to assets held for investment of the Plan (investment information) by Charles Schwab Trust Bank, the trustee, which is a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, that prepared and certified the statements or information regarding assets so held in accordance with 29 CFR 2520.103-5. Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements and ERISA-required supplemental schedules, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of GAAP. Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 25, 2023. Professional standards also require that we communicate to you the following information related to our audit:

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by San Diego Convention Center Corporation Money Purchase Pension Plan are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by the Plan during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The Plan does not have any particularly sensitive estimates.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The Plan does not have any particularly sensitive disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Form 5500 Procedures

We are required to obtain and read a substantially complete draft of Form 5500 prior to dating our auditor's report. The purpose of this procedure is to identify any material inconsistencies between the draft Form 5500 and the Plan's financial statements. A Form 5500 filing is now required for this Plan.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Reportable Findings

For purposes of this letter, a reportable finding is a matter that includes one or more of the following: (1) noncompliance or suspected noncompliance with laws and regulations, (2) a finding that in our professional judgment is significant and relevant to you regarding your responsibility to oversee the financial reporting process, and (3) an indication of internal control deficiencies identified during the audit that have not been previously communicated to management by other parties and that we determined are sufficiently important to merit management's attention. The Plan does not have any reportable findings.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 30, 2023.

May 30, 2023

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Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Plan's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plan's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

Our responsibility for the ERISA-required supplemental schedules accompanying the financial statements is to perform adequate procedures to evaluate whether the form and content of the ERISA-required supplemental schedules, other than that agreed to or derived from the certified investment information, is presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, and whether the information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

This information is intended solely for the use of the Audit Committee and management of San Diego Convention Center Corporation Money Purchase Pension Plan and is not intended to be and should not be used by anyone other than these specified parties.



CONSIDINE & CONSIDINE
Certified Public Accountants

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**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

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

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INDEPENDENT AUDITOR'S REPORT

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

Scope and Nature of the ERISA Section 103(a)(3)(c) Audit

We have performed audits of the accompanying financial statements of San Diego Convention Center Corporation Money Purchase Pension Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) [ERISA Section 103(a)(3)(C) audit]. The financial statements comprise the statement of net assets available for benefits as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits for the years then ended December 31, 2022 and 2021, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of San Diego Convention Center Corporation Money Purchase Pension Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of December 31, 2022 and 2021, and for the years ended December 31, 2022 and 2021 stating that the certified investment information, as described in Note 6 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section

- the amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

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Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of San Diego Convention Center Corporation Money Purchase Pension Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about San Diego Convention Center Corporation Money Purchase Pension Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the plan; and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the financial statements, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of San Diego Convention Center Corporation Money Purchase Pension Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about San Diego Convention Center Corporation Money Purchase Pension Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Schedules Required by ERISA

The supplemental schedule of assets (held at the end of the year) as of December 31, 2022 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion—

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

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CONSIDINE & CONSIDINE
An accountancy corporation

May 30, 2023

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2022 AND 2021**

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	2022	2021
ASSETS		
INVESTMENTS		
Investments at fair value (notes 6 and 7)	\$ 21,799,281	\$ 26,067,816
CASH (note 5)	65,783	70,804
RECEIVABLES		
Notes receivable from participants	474,497	581,485
TOTAL ASSETS	22,339,561	26,720,105
LIABILITIES		
Benefits payable	109	-
TOTAL LIABILITIES	109	-
NET ASSETS AVAILABLE FOR BENEFITS	\$ 22,339,452	\$ 26,720,105

See accompanying notes

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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	2022	2021
CHANGES TO NET ASSETS ATTRIBUTED TO:		
INVESTMENT INCOME/(LOSS) (note 6)		
Net appreciation/(depreciation) in fair value of investments	\$ (4,716,186)	\$ 2,058,581
Dividends	843,275	1,202,380
	(3,872,911)	3,260,961
Interest income on notes receivable from participants	29,081	26,766
CONTRIBUTIONS		
Employer	1,144,501	1,006,723
	(2,699,329)	4,294,450
TOTAL CHANGES		
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants (note 5)	1,581,029	3,090,639
Administration fees (note 3)	100,295	95,217
	1,681,324	3,185,856
TOTAL DEDUCTIONS		
NET INCREASE/(DECREASE)	(4,380,653)	1,108,594
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	26,720,105	25,611,511
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	\$ 22,339,452	\$ 26,720,105

See accompanying notes



**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 DESCRIPTION OF PLAN

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

GENERAL

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

CONTRIBUTIONS

Contributions to the Plan are as follows:

For each plan year, the Employer is required to contribute an amount equal to 10% of the total annual compensation of all participants who qualified to participate in the Plan. Contributions for any one plan year shall be transferred to the Plan; provided, however, such contributions shall be paid no later than the due date of the Company's corporate tax returns (or any extension thereof). In the event the annual contribution is deposited after the close of the plan year, the employer shall designate the plan year to which such contributions apply. Total payroll for the years ended December 31, 2022 and 2021 was \$17,500,130 and \$13,756,639, respectively. Contributions were calculated using eligible wages of \$13,707,271 for 200 employees and \$11,212,027 for 184 employees for the years ended December 31, 2022 and 2021, respectively. The Plan was fully funded during 2022 and 2021.

The Plan does not permit voluntary contributions.

PARTICIPANT ACCOUNTS

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

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**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

FORFEITED ACCOUNTS

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

VESTING

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

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

LOANS

Participant loans are permitted under the Plan, however, loan amounts may not exceed the lesser of \$100,000 or 50% of the participant's vested account balance, subject to a minimum loan amount of \$1,000. Interest charged on the loans is prime rate plus 0.5%.

INVESTMENT OPTIONS

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

PAYMENT OF BENEFITS

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

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

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**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

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

as defined in the plan document.

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Investments Valuation and Income Recognition - Investments are maintained in mutual funds and in a non-fully benefit-responsive common collective trust and are stated at values certified by the institution that holds the Plan's assets as an investment manager and are under the custody of the Plan trustee. Quoted market prices are used to value investments at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year. The cost basis of the assets was \$23,645,596 and \$23,397,933 as of December 31, 2022 and 2021, respectively.

SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
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DECEMBER 31, 2022 AND 2021

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

Classification and measurement of financial instruments - The Plan follows Accounting Standards Update (ASU) 2016-01 "Recognition and Measurement of Financial Assets and Financial Liabilities." This ASU amends certain aspects of current guidance on the recognition, measurement and disclosure of financial instruments. Among other changes, this ASU requires most equity investments to be measured at fair value. Additionally, the ASU eliminates the requirement to disclose the method and significant assumptions used to estimate the fair value for instruments not recognized at fair value in the Plan's financial statements.

Notes Receivable from Participants - Loans to participants are reported at their unpaid principal balances plus any accrued but unpaid interest. Management regularly reviews the collectability of the delinquent loan balances and records an allowance based on circumstances of the individual's underlying loan. Uncollectible loans are written off against the participant's balance at the time the participant leaves the Plan. Notes receivable from participants are reported net of an allowance of \$0 as of December 31, 2022 and 2021.

Benefits - Benefits are recorded when paid. There are no unpaid benefits at December 31, 2022. At December 31, 2021, there was an unpaid benefit for one participant totaling \$7,339.

Income Taxes - The Plan follows accounting standards which clarify the accounting for uncertainty in income taxes recognized in the Plan's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on derecognition and measurement of a tax position taken or to be taken in a tax return. The Plan is a governmental plan as defined in section 3(32) of ERISA, and thus exempt from Title 1 of ERISA and certain provisions of the Internal Revenue Code. The Plan is subject to the unrelated business income tax (UBIT) in any taxable year its unrelated business taxable income (UBTI) exceeds \$1,000. The Company does not believe it has conducted business which is not substantially related to the Plan's exempt purpose or invested in any non-qualified investments that would be subject to UBIT. As of December 31, 2022 and 2021, the Plan has not accrued interest or penalties related to uncertain tax positions.

NOTE 3 ADMINISTRATIVE EXPENSES

Expenses of the Plan, to the extent that the employer does not pay such expenses, may be paid out of the assets of the Plan provided that such payment is permitted by law. Certain investment related



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MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

expenses are included as a reduction of investment return and are not separately reflected. During the years ended December 31, 2022 and 2021, the majority of the administrative expenses of the Plan were paid using assets of the Plan. Amounts totaling \$100,295 and \$95,217 were paid directly by the Plan for administration fees for the years ended December 31, 2022 and 2021, respectively.

NOTE 4 PLAN TERMINATION

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

NOTE 5 BENEFITS PAID TO PARTICIPANTS

For the years ended December 31, 2022 and 2021, \$1,581,029 and \$3,090,639, respectively, have been distributed to participants who have withdrawn from the Plan.

For the years ended December 31, 2022 and 2021, the total amount of forfeitures used for the Plan were \$139,165 and \$85,944, respectively. Forfeitures are used to reduce employer contributions to the Plan. At December 31, 2022 and 2021, there were forfeited nonvested accounts totaling \$1,742 and \$11,155, respectively.

As a result of the spread of the COVID-19 Coronavirus and the resulting health orders, operations were significantly impacted during 2021. The Company furloughed and laid-off employees, resulting in a significant increase in distributions to participants during 2021.

NOTE 6 INFORMATION PREPARED AND CERTIFIED BY PLAN TRUSTEE

The following is information prepared and certified by Charles Schwab Trust Bank:

	2022	2021
Cash	\$ 65,783	\$ 70,804
Investments at fair value:		
Mutual funds	19,132,040	23,418,319
Common and collective fund	2,667,241	2,649,497
	<u>21,799,281</u>	<u>26,067,816</u>
	<u>\$ 21,865,064</u>	<u>\$ 26,138,620</u>

SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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	2022	2021
Investment income/(loss):		
Net appreciation/(depreciation) in fair value of investments	\$ (4,716,186)	\$ 2,058,581
Dividends	843,275	1,202,380
	\$ (3,872,911)	\$ 3,260,961

During 2022 and 2021, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the years) appreciated/(depreciated) in value by (\$4,716,186) and \$2,058,581, respectively.

NOTE 7 COMMON AND COLLECTIVE FUND

The Plan has a non-fully benefit-responsive common and collective fund with Charles Schwab Trust Bank and that is operated as a stable return fund. Charles Schwab Trust Bank maintains Plan contributions in an unallocated account which is part of the general assets of Charles Schwab Trust Bank. The fund is included in the financial statements at fair value as reported to the Plan by Charles Schwab Trust Bank at December 31, 2022 and 2021. The fund is credited with contributions made under the fund, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investments at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the fund at December 31, 2022 and 2021 was \$2,667,241 and \$2,649,497, respectively. The crediting interest rate was 2.23% at December 31, 2022 and 2.20% at December 31, 2021. The crediting interest rate is based on the rate in effect when money is deposited in the account.

NOTE 8 FAIR VALUE MEASUREMENT

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

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

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

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MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

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

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

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

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

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

Financial assets carried at fair value at December 31, 2022 are classified below in one of the three categories described above. The table below presents the balances of assets measured at fair value on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Mutual funds	\$ 19,132,040	\$ -	\$ -	\$ 19,132,040
Common and collective fund	-	2,667,241	-	2,667,241
	<u>\$ 19,132,040</u>	<u>\$ 2,667,241</u>	<u>\$ -</u>	<u>\$ 21,799,281</u>

Financial assets carried at fair value at December 31, 2021 are classified below in one of the three categories described above. The table below presents the balances of assets measured at fair value on a recurring basis:

SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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	Level 1	Level 2	Level 3	Total
Assets				
Mutual funds	\$ 23,418,319	\$ -	\$ -	\$ 23,418,319
Common and collective fund	-	2,649,497	-	2,649,497
	\$ 23,418,319	\$ 2,649,497	\$ -	\$ 26,067,816

NOTE 9 RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants account balances and the amounts reported in the statement of net assets available for benefits.

NOTE 10 RELATED PARTY TRANSACTIONS

Certain Plan investments include a common and collective fund and shares of money market funds managed by Charles Schwab Trust Bank. Charles Schwab Trust Bank is the trustee as defined by the Plan. Administrative fees incurred by the Plan to the Trustees totaled \$9,616 and \$10,546 for the years ended December 31, 2022 and 2021, respectively. Administrative fees incurred by the Plan to the third party administrator, Randall and Hurley, Inc. totaled \$44,400 and \$34,239 for the years ended December 31, 2022 and 2021, respectively. Consulting fees incurred by the Plan to RBC Capital Markets, LLC totaled \$46,279 and \$50,432 for the years ended December 31, 2022 and 2021, respectively. The Company also pays certain administrative fees of the Plan, which are not reimbursed. In addition, the Company provides administrative services to the Plan at no cost to the Plan. Substantially all of the Plan's operating expenses are paid by the Company. These transactions qualify as party-in-interest transactions.

NOTE 11 SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through May 30, 2023, the date which the financial statements were available to be issued. There were no material subsequent events which affected the amounts or disclosures in the financial statements.

DRAFT

**SAN DIEGO CONVENTION CENTER CORPORATION
 MONEY PURCHASE PENSION PLAN
 REQUIRED SUPPLEMENTAL INFORMATION
 SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT THE END OF YEAR)
 DECEMBER 31, 2022**

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

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
	American Fds Target Date Ret 2025 R6	Mutual fund	**	\$ 4,391,616
	American Funds Target Date Ret 2040 R6	Mutual fund	**	3,469,119
	Wells Fargo Stable Value Fund C	Common and collective funds	**	2,667,241
	American Fds Target Date Ret 2030 R6	Mutual fund	**	1,623,712
	American Fds Target Date Ret 2010 R6	Mutual fund	**	1,380,869
	MFS Mid Cap Growth CL R6	Mutual fund	**	1,271,127
	Vanguard 500 Index F	Mutual fund	**	896,662
	American Fds Target Date Ret 2035 R6	Mutual fund	**	832,536
	American Fds Target Date Ret 2050 R6	Mutual fund	**	683,731
	American Fds Target Date Ret 2020 R6	Mutual fund	**	532,453
	American Fd 2055 Target Date	Mutual fund	**	526,391
	MFS Growth FUnd CL R6	Mutual fund	**	424,804
	Vanguard Info Tech Index Fd Admiral	Mutual fund	**	418,899
	JP Morgan Equity Income R6	Mutual fund	**	412,744
	American Fd 2060 Target Date	Mutual fund	**	410,605
	American Fds Target Date Ret 2045 R6	Mutual fund	**	374,821
	American Funds Target Date Ret 2015 R6	Mutual fund	**	261,817
	T. Rowe Price Overseas Stock Fund I	Mutual fund	**	252,359
	Pimco Rae Us Small Fund Instl	Mutual fund	**	229,556
	Vanguard Healthcare Index Fd Adm	Mutual fund	**	142,671
	PGIM Total Return Bd R6	Mutual fund	**	89,718

See accompanying independent auditor's report



**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT THE END OF YEAR)
DECEMBER 31, 2022**

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

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
	Vanguard Total Intl Stock Index Adm	Mutual fund	**	88,325
	Conestoga Small Cap Inst	Mutual fund	**	85,960
	Vanguard Real Estate In Fd Adm Shares	Mutual fund	**	84,021
	Vanguard Financials Index Fd Adm Shr	Mutual fund	**	74,598
	Cash	Cash	**	65,783
	Wells Fargo Special Mid Cap Val R6	Mutual fund	**	63,557
	American Funds Target Date Ret 2065 R6	Mutual fund	**	32,031
	Vanguard FTSE Social Index ADM	Mutual fund	**	31,334
	Vanguard Emerging Markets Stock Index Fund Adm	Mutual fund	**	23,048
	Vanguard Extended Market Index Fund ADM	Mutual fund	**	14,943
	American Funds New Perspective R6	Mutual fund	**	8,003
	Vanguard Total Bond Market Index Adm	Mutual fund	**	5
	Fidelity Inflation Protected Bond Index	Mutual fund	**	5
				\$ 21,865,064

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

See accompanying independent auditor's report

**SAN DIEGO CONVENTION CENTER CORPORATION
MONEY PURCHASE PENSION PLAN
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT THE END OF YEAR)
DECEMBER 31, 2022**

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

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
*	Notes receivable from participants	Various maturity dates Interest rate 3.75% - 8.00%	**	<u>\$ 474,497</u>

DRAFT

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

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

See accompanying independent auditor's report

Agenda Item 3.E.1

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

TO: Board of Directors

FROM: Clifford “Rip” Rippetoe, President & CEO

DATE: For the Agenda of Meeting of June 28, 2023

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

BACKGROUND

The San Diego Convention Center Corporation (“Corporation”) entered into a services contract with the San Diego Tourism Authority (“SDTA”) on January 26, 2022, to provide long-term sales and marketing services for a five-year term, beginning on July 1, 2022, and expiring on June 30, 2027. Pursuant to the terms of that agreement, the SDTA is required to provide the Corporation with an Annual Program of Work at the beginning of each fiscal year of the contract. The purpose of the Program of Work is to clearly define SDTA’s annual sales booking goals for each given year, provide an outline of its marketing budget and expenses, and review the tactics and strategies that SDTA will undertake to achieve the required goal.

SDTA is required to submit a draft of the Program of Work to the Corporation no less than ninety (90) days prior to the start of the fiscal year. The initial draft was submitted to the Corporation by SDTA in March of this year, thus meeting this requirement. This ninety (90) day period is intended to provide both parties with an opportunity to discuss and agree upon a final version of the document for approval by the Corporation’s Sales & Marketing Committee and full Board by the start of the fiscal year.

DISCUSSION

The Corporation and the Tourism Authority staff have worked collaboratively on the attached Program of Work for Fiscal Year 2024. Items of note outlined in the document include:

1. Annual booking goal of 650,000 hotel room nights, with a focus on high impact events for the destination over the next five to seven years.
2. Benchmarks for attendance that these events will bring to the destination, as well as food & beverage revenues that these events will generate for the Convention Center. These are two important factors which help drive incremental revenues for the Center.



SDTA CITYWIDE SALES FY 2024 ANNUAL PROGRAM OF WORK

SAN DIEGO CONVENTION CENTER CORPORATION



SECTIONS:

- Executive Summary
- Goals & Benchmarks
- Citywide Sales & Client Services Map / Deployment
- Line-Item Budget for FY 2024
- Overview of Unified Travel, Tradeshows, and Sales Trips



EXECUTIVE SUMMARY FY 2024

The San Diego Tourism Authority (SDTA) Citywide Sales & Client Services Team is the long-term sales agency for the San Diego Convention Center Corporation (SDCCC), and a new five-year agreement solidifying this partnership took effect on July 1, 2022. The purpose of this agreement is to ensure that those events booked at the Convention Center continue to deliver economic benefit for the City of San Diego and the region. This is done by generating hotel room occupancy and direct delegate spend by convention attendees, and by optimizing Convention Center revenues through various ancillary channels (rental fees, audio visual, food & beverage, telecom, internet services and sponsorship/branding). Ultimately, the revenues and taxes generated by those out-of-town attendees at Convention Center events bring significant benefits to the entire region. Together, the SDTA and the SDCC are pleased to play such a vital role in making San Diego a better place to live, work and play.

In FY 2023, the SDTA, in collaboration with the SDCCC, implemented a revised sales strategy. The goal of this new strategy was to focus on securing quality events which not only generate significant hotel room nights for the region but will also increase incremental ancillary revenues for the Center. And, after the first half-year, the results are positive. There is now more direction and effort to book shorter-term events (within five years) which will have a more immediate positive impact on the region. The longer-term strategy, outside of five years, is a focus on traditionally softer demand times. All booking opportunities are reviewed through a newly established Event Scoring Profile (ESP) guideline, which takes into consideration those key factors of economic impact and revenue generation for each potential event. Additionally, a new business review process and a more collaborative approach, to include both the SDCCC team and key hotel partners, has been implemented to allow all input from key stakeholders.

The SDTA objectives for FY 2024 related to citywide conventions will be to:

- Generate hotel room demand for the destination at the right time periods.
- Produce the most optimal business for the SDCCC to help drive all revenue streams.
- Create economic benefit for the region comparable to pre-Covid levels.
- Align a growing Client Services team to meet the requirements of a changing events professional industry.
- Utilize SDTA marketing assets and knowledge to help secure business and to drive convention attendance.
- Plan and execute a memorable PCMA Convening Leaders Conference in January 2024 that positions San Diego for continued success in the meetings & conventions market.





FY 2024 GOALS & BENCHMARKS

The focus of the SDTA related to Citywide sales in FY 2024 will be continuing to focus on strategies to drive short & long-term financial success of the SDCCC by maximizing the space utilization with the most lucrative business opportunities. Several initiatives were put into place in FY2023 that will be developed further, along with the following bucketed parameters in FY2024:

PEOPLE

- Strategic hiring with an emphasis on retention of sales professionals focused on SDCCC's best interests and the importance of filling need pockets.
- Further development of a comprehensive sales strategy with input from the newly hired Citywide Sales Strategy Director, whose responsibility is to provide quantitative analysis of both revenue potential and in-depth housing data of all opportunities, allowing for more informed decisions when booking future events.
- Onboarding of Senior Director of Site and Client Experience position, who will oversee the Client Experience Team to ensure a strategic approach toward sites, pre-planning visits, client, and housing management.

PROCESS

- Weekly business review process with sales leadership at the SDCCC, SDTA and citywide National Sales Directors (sellers) utilizing the Event Scoring Plan (ESP) metrics. The ESP was developed in partnership with an outside facilitator, and included recommendations from the sales leadership of the SDCCC, SDTA, and several downtown area hotels. The ESP includes a review of all past & potential citywide conventions that included a "score" of each based on specific metrics: event attendance, food & beverage revenue, seasonality of the event, total room nights, and booking pattern.
- Monthly business review process with sales leadership at the SDCCC, SDTA leadership and sellers and key Headquarter Hotels to review opportunities, as a group, before making commitments.
- Integration of citywide data into Simple View for enhanced reporting and data analytics.

GOALS

- Yearly crossover room night goals, based upon historical production and with the intent on addressing pace deficits, which are then tied directly to incentive goals.
- Continued focus on filling shorter-term pockets of availability within five years, while booking fewer, more lucrative events outside of ten years.



FY 2024 GOALS & BENCHMARKS CONT.

With that, the goal for SDTA citywide sellers will produce 650,000 new definite rooms in FY2024. Crossover goals will be reviewed at the end of FY2023 to provide targets of rooms to be in each of the next 10 years. These goals will be cascaded down to each individual seller to ensure our team is focused on efforts to fill the most pressing dates at the SDCCC.

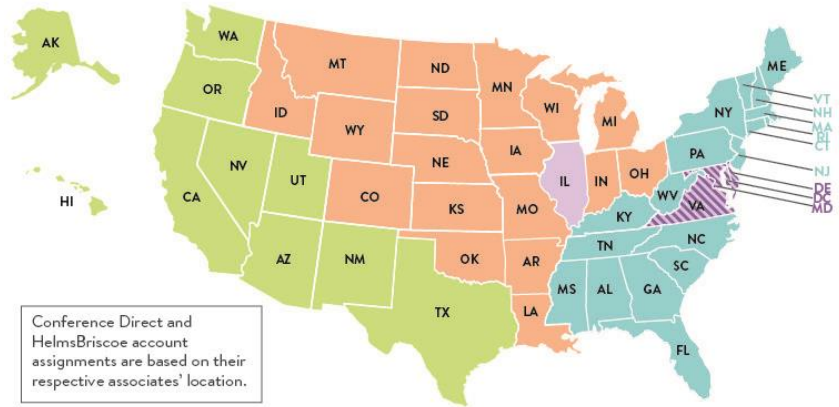
While driving hotel occupancy and generating TOT for the region will remain the primary goal of the sales team, benchmarks have once again been established to help maximize attendance and food & beverage spend at the Center. Specifically, future events booked by the SDTA citywide sales team in FY24 will represent 600,000 event attendees, and \$20,000,000 in food & beverage guarantees for the Center. Catered food & beverage has historically been an important revenue line item for SDCCC. To help ensure we meet the established revenue benchmark in this area, several new strategies will be implemented. Firstly, we will introduce revised parameters of negotiations which provides clients with tiered rental discounts based on the amount of food and beverage guaranteed at the Center. These policies will also include safeguards to help ensure established food & beverage guarantees are met, which will allow for more accurate budgeting and forecasting for both Sodexo Live (the exclusive provider of food & beverages services at the Center) and SDCCC. Additionally, each SDTA seller will have a personal production goal (PPG), which will be tied to food & beverage guarantees for the events they are booking. These benchmarks will ensure that these important drivers of Convention Center revenues will be considered when evaluating future booking opportunities, and that they remain a focus in FY24 as market conditions continue to evolve.

Monthly sales reports will be provided to SDCCC by SDTA to track booking progress, and to ensure that all goals and benchmarks are achieved by the end of the fiscal year. Additionally, goals and benchmarks will be evaluated YOY to determine if they are appropriate based on changing business conditions.

Collectively, a continued focus on room nights, attendance, and convention center ancillary revenues will result in the optimal mix of business, to both maximize economic benefit for the region, and help maintain the long-term financial viability of the Center.

CITYWIDE DEPLOYMENT

Our current deployment, as of February 2023, is outlined below, however we will constantly review options to ensure the most appropriate deployment is in place as determined by our business needs.



LEADERSHIP



KAVIN SCHIEFERDECKER
Chief Sales Officer

DIR: (619) 557-2851
CELL: (214) 882-6508
kavin@sandiego.org



MICHAELENE SULLIVAN
Vice President of Sales and Services

DIR: (619) 557-2837
CELL: (619) 252-6633
msullivan@sandiego.org



ALLIE ASUNCION
Sr. Director of Site & Client Experience

DIR: (619) 557-2851
aasuncion@sandiego.org



FIONA JAHN
Administrative Assistant

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fjahn@sandiego.org

SALES



KIM BORNEMAN
National Sales Director

DIR: (619) 557-2884
CELL: (925) 580-7956
kborneman@sandiego.org
Market: CA, AK, AZ, HI, NM, NV, OR, TX, UT, WA



ASHLEY JACKSON
National Sales Director

Market: AR, CO, IA, ID, IN, KS, LA, MI, MN, MO, MT, NE, ND, OH, OK, SD, WI, WY and Chicago (under 3500 peak)



ANGIE RANALLI
Senior National Sales Director

DIR: (312) 943-5399
CELL: (312) 927-5377
aranalli@sandiego.org
Market: IL, DE, MD, VA, D.C. (3501+ peak)



DAVE MATTA
National Sales Director

DIR: (619) 557-2871
dmatta@sandiego.org

Market: AL, CT, FL, GA, KY, MA, ME, MS, NH, NJ, NY, NC, PA, RI, SC, TN, VT, WV



NANCY ROSENBAUM
National Sales Director

DIR: (619) 557-2805
CELL: (703) 598-4572
nrosenbaum@sandiego.org

Market: DE, MD, VA, D.C. (under 3500 peak)



ERICA WESTMYER
Citywide Sales Strategy Director

DIR: (619) 557-2850
ewestmyer@sandiego.org

CLIENT SERVICES



GERRICA GRAY-JOHNSON
Senior Client Services Director

DIR: (619) 557-2875
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ggrayjohnson@sandiego.org



JACQUELINE SCOTT
Senior Client Services Director

DIR: (619) 557-2872
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jacquelines@sandiego.org



OPEN POSITION
Client Services Manager

SUPPORT TEAM



OMAIRA GOODWIN
Citywide Coordinator

DIR: (619) 557-2873
ogoodwini@sandiego.org



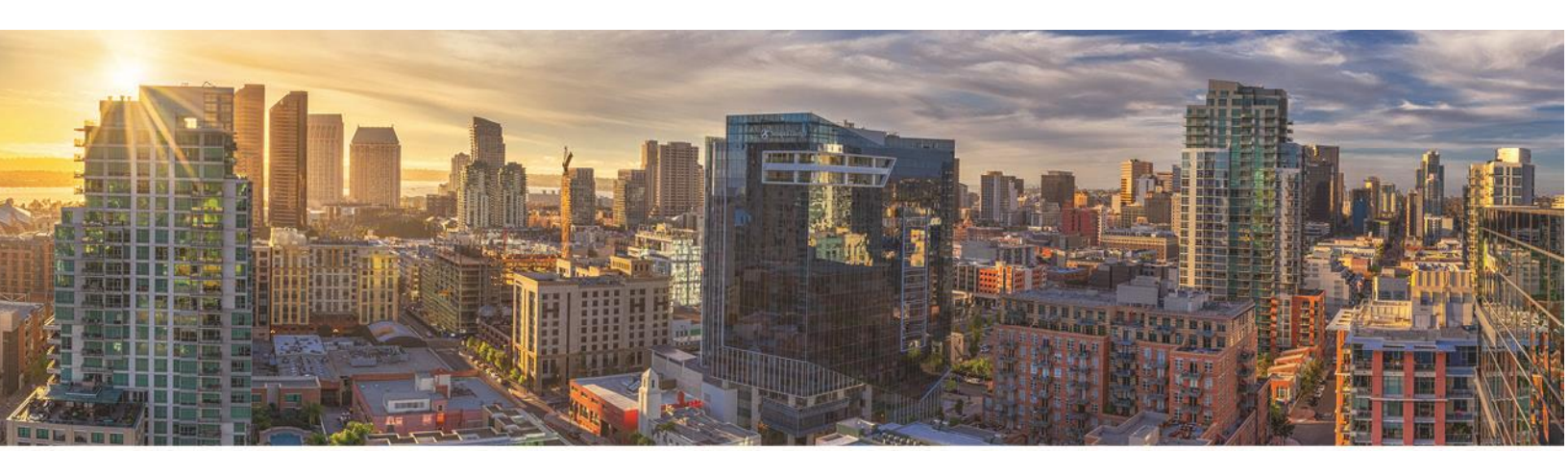
JERVIS ARANDA
Citywide Coordinator

DIR: (619) 557-2883
jaranda@sandiego.org



ALICIA TURCOTTE
Citywide CRM/Client Services Coordinator

DIR: (619) 557-2870
aturcotte@sandiego.org



SDTA CITYWIDE SALES & MARKETING BUDGET

	FY 2023 Budget	FY 2023 Forecast	FY 2024 Budget
Personnel Expenses			
Salaries & Wages	\$ 1,654,664	\$ 1,349,213	\$ 1,695,788
Paid Time Off	16,545	20,216	16,957
Incentive Compensation	191,125	162,841	201,341
Total Salaries & Wages	\$ 1,862,334	\$ 1,532,270	\$ 1,914,086
Payroll Taxes & Charges	121,328	98,981	127,412
Worker's Compensation Insurance	13,700	10,527	13,311
Retirement Program Match	65,422	48,140	72,090
Health and Life Insurance	197,298	120,057	119,207
Total Fringe Benefits	\$ 397,748	\$ 277,705	\$ 332,020
Total Personnel Expenses	\$ 2,260,082	\$ 1,809,975	\$ 2,246,106
Direct Expenses			
Travel & Entertainment	\$ 222,789	\$ 243,619	\$ 255,500
Event Registration	53,596	19,146	39,655
Office Rent	43,500	30,305	31,055
Event Exhibit	32,445	29,870	23,000
Event Food and Beverage	-	18,584	19,000
Dues & Subscriptions	9,888	10,588	10,740
Event Venue & Facilities	-	629	5,000
Promotional Items	2,266	2,200	2,000
Office Supplies & Other	5,150	200	220
Outside Professional Services	6,180	-	-
Total Direct Expenses	\$ 375,814	\$ 355,141	\$ 386,170
Total Personnel & Direct Expenses	\$ 2,635,896	\$ 2,165,116	\$ 2,632,276
Indirect Expense Allocation	938,591	847,099	871,731
Total Expenses	\$ 3,574,487	\$ 3,012,215	\$ 3,504,007

Assumptions and Notes:

- Cost of Living / Merit & Equity Pool assumption = 6%
- Net health insurance increase on policy renewal = 10%
- Chicago office rent and other occupancy expenses split = 25% to Hotel Mtg Sales and 75% to Citywide Sales



OVERVIEW OF UNIFIED TRAVEL, TRADESHOWS, AND SALES TRIPS

CITYWIDE AND HOTEL MEETINGS EVENTS BY MONTH

JULY 2023

PCMA Education Conference

Montreal, Canada

Nancy Rosenbaum

Angie Ranalli

TARGET: An education-focused event, this event rotates around the country attracting members primarily from that region.

AUGUST 2023

CEMA Summit

Salt Lake City, UT

Kim Borneman

TARGET: Corporate Events Marketing Assn (CEMA) is a small but influential organization of 500 corporate event strategists, mainly in the technology industry (Cisco, IBM, Microsoft, Apple, etc).

ASAE Annual Conference

Nashville TN

Nancy Rosenbaum

Hotel Meetings Team

TARGET: ASAE is the “association for associations” and this event attracts C-level positions from those groups.

Canadian Meetings + Events Expo

Toronto, Canada

Dave Matta

Hotel Meetings Team

TARGET: Corporate and association planners from Canadian and International destinations

SEPTEMBER 2023

Northeast Roadshow Philadelphia / New York City

Dave Matta

Hotel Meetings Team

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

PCMA Partnership Summit

Miami, FL

Angie Ranalli

Michaelene Sullivan

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

OCTOBER 2023

IMEX America

Dave Matta

Ashley Jackson

Julie Coker

Kavin Schieferdecker

Michaelene Sullivan

Hotel Meetings Team

San Diego Symphony Client Event

New York City, NY

Dave Matta

Julie Coker

Kavin Schieferdecker

Hotel Meetings Team

TARGET: Top clients for an event performed by the San Diego Symphony and attend potentially by the Mayor of San Diego

NOVEMBER 2023

Midwest Roadshow Minneapolis / Indianapolis

MW Seller

Hotel Meetings Team

TARGET: Accounts based in Midwest states outside of Illinois.

Washington D.C. Marketplace Annual Client Spa Event

Angie Ranalli

Nancy Rosenbaum

Julie Coker

Michaelene Sullivan

Debbie Jordan

TARGET: Our signature client event in Washington D.C. that attracts top clients from the association community from D.C., MD, and VA.

DECEMBER 2023

Association Forum Holiday Showcase & Annual Butch McGuire's Holiday Breakfast

Chicago, IL

Angie Ranalli
Ashley Jackson
Julie Coker
Kavin Schieferdecker
Michaelene Sullivan
Hotel Meetings Team

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

IAEE Expo! Expo!

Dallas, TX

Kim Borneman

TARGET: The leading authorities in B2B exhibits industry.

JANUARY 2024

PCMA Convening Leaders Annual Meeting

San Diego, CA

Angie Ranalli
Nancy Rosenbaum
Kim Borneman
Dave Matta
Ashley Jackson
Julie Coker
Kavin Schieferdecker
Michaelene Sullivan
Hotel Meetings Team

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

MARCH 2023

Destination International Showcase & PCMA Visionary Awards

Washington D.C.

Angie Ranalli
Nancy Rosenbaum
Kavin Schieferdecker
Hotel Meetings Team

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

for the PCMA Foundation.. that attracts top clients from the association community from D.C., MD, and VA.

MPI NCC Annual Conference & Expo

San Francisco, CA

Kim Borneman
Hotel Meetings Team

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

APRIL 2024

Annual Cubs Opener Client Event

Angie Ranalli
Ashley Jackson
Julie Coker
Kavin Schieferdecker
Michaelene Sullivan
Hotel Meetings Team

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

MAY 2024

Western Road Show

Denver & Seattle

Kim Borneman
Michaelene Sullivan
Hotel Sales Team

TARGET: Host client events and customer appointment.

IMEX Frankfurt

Frankfurt, Germany

Kavin Schieferdecker
Dave Matta
Kim Borneman

TARGET: International meeting planners, mainly from Europe.

JUNE 2024

Conference Direct Annual Meeting

Location TBD

Angie Ranalli
Hotel Meetings Team

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

SUMMARY OF IN-MARKET MEETINGS, RECEPTIONS, EVENTS:

CHICAGO MARKETPLACE

GMC-PCMA

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

Destination Rep Quarterly Meetings @ ABA, ADA, SmithBucklin

- AF CEO Reception

Association Forum

- CEO Reception
- Educational Meetings
- Annual Gala

MPI Great Lakes

- Education Summit

MPI CAC

- Quarterly Education Events

SITE

- Chicago receptions (Maria Andriola)

IAEE

- Quarterly Education Events

AHA Annual Vendor Meeting

Annual SmithBucklin Vendor Meeting

SWAP Client Events

Sales Missions / Road Shows

- Two events - spring and fall

WASHINGTON DC/VA/MD MARKETPLACE

Ongoing

Sales calls and presentations

Experient; IMN; and Smith Bucklin

Presentations once per year, usually in November

PCMA (Potomac and Chesapeake Chapters)

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

ASAE

- Quarterly education meetings and/or networking receptions
- Summit Awards Dinner, September

AMP's (Association of Meeting Professionals)

Monthly education programs and receptions

MPI

Monthly chapter education programs and luncheons

IAEE

- Monthly chapter education and networking luncheons

CVB Reps

- Every other month meetings and receptions
- Summer client reception
- Holiday client reception

Reston/Herndon Meeting Planners

- Yearly presentation at breakfast or lunch

Industry Social Events

- Book club

NEW MARKET DEVELOPMENT / Dallas, Denver, Minneapolis, San Francisco

Sales Missions / Road Shows & Client Events

One event per market.



**SAN DIEGO CONVENTION CENTER/ SHORT TERM SALES
JUNE 2023 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

	FY23 MAY 23	FY22 MAY 22	CUMULATIVE FYTD 2023	CUMULATIVE FYTD 2022
DEFINITE	EVENTS	1	39	57
	ATTENDANCE	5,000	100,219	229,963
	ROOM NIGHTS	0	11,588	17,391
	RENTAL REVENUE	\$7,700	\$374,900	\$1,243,550

FY23 PERCENT TO GOAL

Convention Center Rental Revenue

	GOAL	YTD	PERCENT TO GOAL
CONTRACTED RENTAL REVENUE	\$1,500,000	\$1,243,550	83%

San Diego Convention Center Short Term Sales June 2023Sales Activity Report

CONTRACTED SHORT TERM EVENTS/ MAY 2023

EVENT NAME	EVENT DATES	PROJECTED ATTENDANCE	PEAK ROOMS	ROOM NIGHTS	RENTAL
California Bridal & Wedding Expo 2024	06/09/24	5,000	0	0	\$7,700
TOTAL		5,000		0	\$7,700

San Diego Convention Center Short Term Sales June 2023 Sales Activity Report

CONTRACTED SHORT TERM EVENTS/ FY23 YTD

EVENT NAME	EVENT DATES	PROJECTED ATTENDANCE	PEAK ROOMS	ROOM NIGHTS	RENTAL
CalStart Annual Symposium	12/07/22	300	10	10	\$15,950
Hot Chocolate Run Expo / Ventures Endurance	03/18/23	10,000	0	0	\$9,600
Starpower Talent Competition / Star Dance	05/12/23	2,000	0	0	\$25,500
Anyscale / Ray Summit 2023	05/15/23	1,600	1,160	3,110	\$76,650
AIMED Global Summit 2023	06/06/23	1,000	220	615	\$36,200
U:NOS / HyperFMI - ICW/ Transplant Games	08/02/22	14	0	0	\$2,550
Digimon and Dragon Ball Super	09/24/22	500	0	0	\$5,100
International Council of Shopping Centers	09/28/22	2,300	450	1,000	\$79,600
Live Well Advance & School Summit /	12/07/22	2,500	0	0	\$22,000
Jurassic Empire	01/07/23	3,600	0	0	\$33,500
San Diego Pokemon Regional Championships	01/07/23	1,300	100	200	\$19,200
Poway Gymnastics	03/31/23	6,000	0	0	\$31,200
X-Stem San Diego 2023	04/18/23	2,400	0	0	\$9,300
San Diego Zoo Wildlife Alliance Meeting	04/19/23	2,000	0	0	\$11,400
IR Show Fall 2023	07/28/23	1,000	150	450	\$40,200
Joint Women's Leadership Symposium-2023	06/28/23	1,500	300	900	\$45,150
San Diego Fall Home Show 2023	08/25/23	5,000	0	0	\$17,000
San Diego Tourism Authority	11/03/22	500	0	0	\$5,700
An Evening with Dr. Zahi Hawass	05/05/23	2,000	0	0	\$7,700
Suplybank.org School Supply Kit Build	05/13/23	500	0	0	\$6,930
San Diego Tattoo Arts Festival	08/20/23	8,000	50	150	\$49,800
Bridal Bazaar Fall 2023	09/17/23	2,000	0	0	\$11,550
Shamrock Foods Company Expo 2023	08/23/23	1,500	275	323	\$47,450
Art San Diego 2023	11/03/23	10,000	0	0	\$26,950
BPI West 2025	03/18/25	500	250	750	\$77,400
Navy Gold Coast Small Business Conference	07/26/23	2,000	25	50	\$60,800

San Diego Convention Center Short Term Sales June 2023 Sales Activity Report

CONTRACTED SHORT TERM EVENTS/ FY23 YTD

EVENT NAME	EVENT DATES	PROJECTED ATTENDANCE	PEAK ROOMS	ROOM NIGHTS	RENTAL
GE Office/ Western Turbine	03/12/23	30	0	0	\$4,800
San Diego Home Show 2024	01/05/24	5,000	0	0	\$17,000
Bridal Bazaar Winter 2024	01/26/24	2,000	0	0	\$20,100
Festival of Biologics USA 2024	04/13/24	2,000	250	750	\$57,000
Social Media Marketing World 2024	02/16/24	2,500	400	1,420	\$68,490
The IR Show - Winter 2024	01/26/24	1,000	150	450	\$49,800
Alcon Innovations Suites	05/01/23	275	0	0	\$48,000
Live Well Advanced Conference Summit 2023	10/31/23	2,000	0	0	\$24,400
Brick Fest Live San Diego	08/24/23	6,500	0	0	\$35,280
ICSC@Western 2023	10/23/23	2,300	500	1,057	\$100,900
24 Seven Dance Competition	10/26/23	750	150	353	\$30,600
39th Annual Martin Luther King Jr. Human Dignity Awards Breakfast	01/11/24	850	0	0	\$5,100
California Bridal & Wedding Expo 2024	06/09/24	5,000	0	0	\$7,700
TOTAL		100,219		11,588	1,243,550



SAN DIEGO CITYWIDE SALES

May 2023 SALES ACTIVITY REPORT

CITYWIDE PRIMARY MARKET

Conventions, Trade Shows, Corporate & Incentive Events

DEFINITE	FUTURE YR BOOKINGS	MAY 2023	MAY 2022	MAY 2019	CUMULATIVE FY2023	CUMULATIVE FY2022	CUMULATIVE FY2019
	CONVENTIONS	5	5	9	37	41	36
	ATTENDANCE	23,000	47,700	55	274,900	355,650	246,150
	ROOM NIGHTS	55,428	99,907	92,829	444,266	607,877	359,139

TENTATIVE	FUTURE YR BOOKINGS	MAY 2023	MAY 2022	MAY 2019	CUMULATIVE FY2023	CUMULATIVE FY2022	CUMULATIVE FY2019
	BOOKINGS	14	12	14	115	84	102
	ATTENDANCE	41,600	124,100	108,200	863,430	579,019	916,200
	ROOM NIGHTS	111,782	173,752	160,096	1,349,868	925,567	1,635,706

FY2023 TOTAL ROOM NIGHTS FOR FUTURE BUSINESS

	CUMULATIVE FY2023	CUMULATIVE FY2022	CUMULATIVE FY2019
DEFINITE TOTAL ROOM NIGHTS	444,266	607,877	359,139
VARIANCE COMPARED TO FY2019	+85,127 +24%	+248,738 +69%	
TENTATIVE TOTAL ROOM NIGHTS	1,349,868	925,567	1,635,706
VARIANCE COMPARED TO FY2019	-285,838 -17%	-710,139 -43%	

DEFINITE EVENTS BREAKDOWN

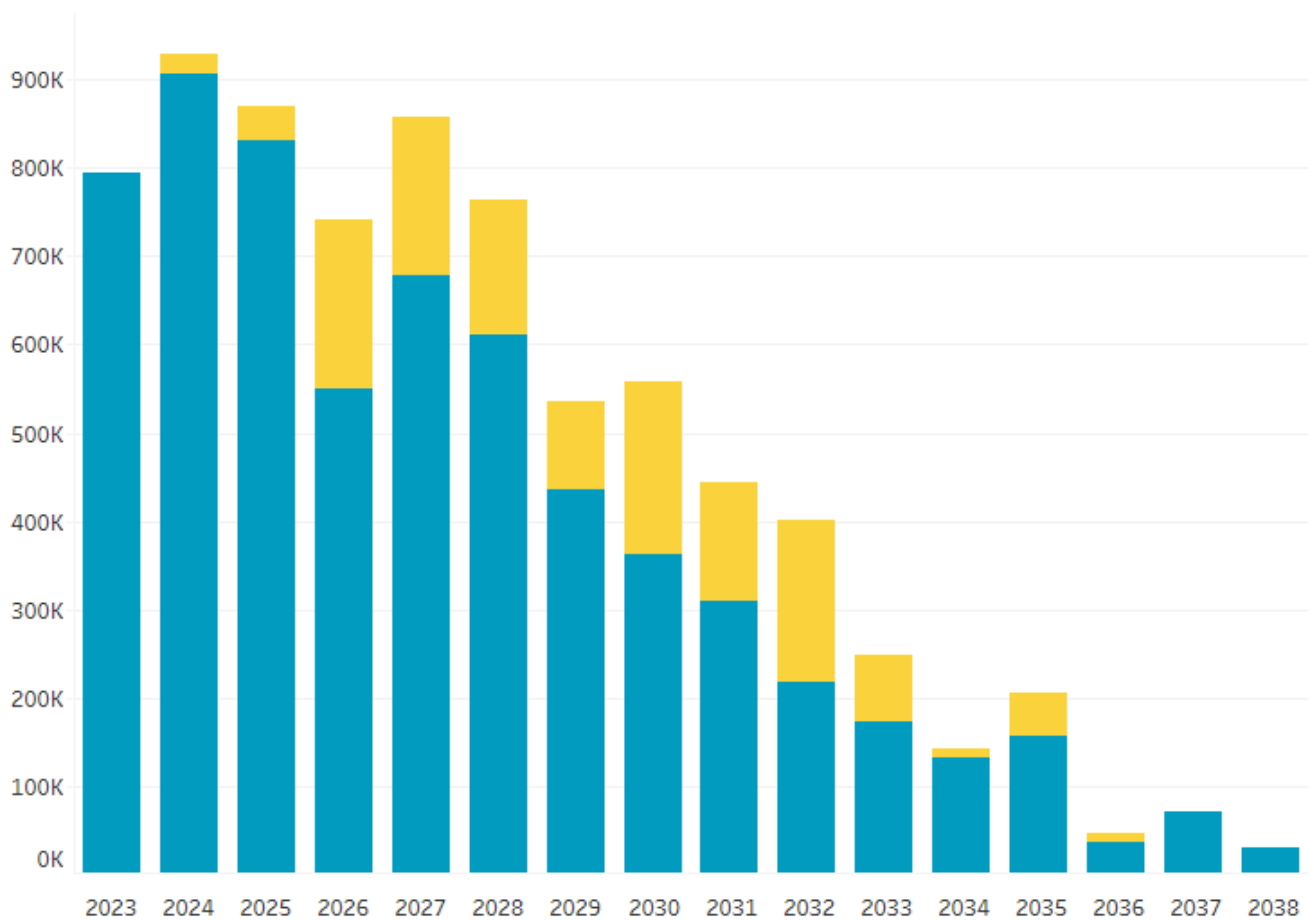
Conventions, Trade Shows, Corporate & Incentive Events booked in May 2023

Account Name	National Sales Director	Event Begin Date	Event End Date	Room Nights	Peak Room Nights	Estimated Attendance	SDCCC ID #	SDTA ID #
SPIE	Kim Borneman	8/31/2027	9/2/2027	6,018	1,258	3,000	2708006	1224268
AdvaMed	David Matta	10/6/2025	10/8/2025	3,978	1,300	1,500	2829-65-65-4418	1227998
Confidential Group	David Matta	6/29/2026	7/1/2026	4,994	1,209	3,000	2829-65-65-2561	1226638
Confidential Group	Kim Borneman	5/5/2026	5/7/2026	27,298	6,471	12,000	2605025	1226336
AASA, The School Superintendents Association	Nancy Rosenbaum	2/14/2028	2/19/2028	13,140	3,000	3,500	2802007	1222847
Total				55,428	2,648 AVG	23,000		

ROOM NIGHT SUMMARY

Figures based on calendar year of event begin date

Lead
Definite



	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Definite Bookings	50	48	42	35	28	23	18	12	13	7	6	3	5	1	3	1
Definite Room Nights	794K	906K	831K	550K	679K	611K	436K	362K	309K	218K	174K	132K	157K	36K	71K	30K
Tentative Room Nights		23K	38K	191K	178K	152K	100K	196K	135K	184K	74K	11K	48K	11K		

NOTE:

- 2023 Definite Room Nights: -16,487 TRN due to American Diabetes Association under performing to their originally requested room block. Hybrid event in 2023.
- 2024 Definite Room Nights: +7,250 TRN due to new definite; AdvaMed (+3978 TRN) and NAFSA definite increase in requested rooms (+3,272 TRN)
- 2026 Definite Room Nights: +32,292 tRN due to new definite confidential groups.
- 2027 Definite Room Nights: +6,018 TRN due to new definite, SPIE.
- 2028 Definite Room Nights: +13,140 TRN due to new definite, AASA.

Agenda Item 3.F

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

TO: Board of Directors

FROM: Board Ad Hoc (Cota, Kim, Gattas)

DATE: For the Agenda of June 28, 2023

RE: Approval of a Resolution of the San Diego Convention Center Corporation, Inc. Authorizing a One-Time Payment of a Retention Incentive Stipend to the President and CEO of the Corporation

DISCUSSION

In fiscal year 2022 and thereafter the Corporation has been fiscally sound and continues to achieve high customer satisfaction ratings. In fact, the Corporation has recovered from the Covid 19 pandemic at a quicker pace than its competitors. Pursuant to the President & CEO's Amended and Restated Employment Agreement, he is eligible each year for a one-time retentive incentive stipend in the amount of up to 10% of Rippetoe's then current salary.

RECOMMENDATION

That the Board approve the Resolution to authorize a one-time retention incentive payment to Rippetoe in the amount of 10% of Rippetoe's base salary as of June 30, 2022 pursuant to the provisions of the Amended and Restated Employment Agreement and its Amendments.

RESOLUTION NO. 2023-02

A RESOLUTION OF THE SAN DIEGO CONVENTION CENTER CORPORATION, INC. AUTHORIZING A ONE-TIME PAYMENT OF A RETENTION INCENTIVE STIPEND TO THE PRESIDENT AND CEO OF THE CORPORATION

WHEREAS, in fiscal year 2022 and thereafter the Corporation has been fiscally sound and continues to achieve high customer satisfaction ratings. In fact, the Corporation has recovered from the Covid 19 pandemic at a quicker pace than its competitors; and

WHEREAS, pursuant to Rippetoe's Amended Employment Agreement and its Amendments, he is eligible each year for a one-time retentive incentive stipend in the amount of up to 10% of Rippetoe's 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 authorizes a one-time retention incentive payment to Rippetoe in the amount of 10% of Rippetoe's base salary at the amount in effect as of June 30, 2022 pursuant to the provisions of the Amended Agreement and its Amendments. 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. The CFO is authorized to issue this payment.

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

PASSED, APPROVED and ADOPTED this 28th day of June, 2023 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Carlos Cota, Chair

ATTEST:

Will Rodrigue-Kennedy,
Secretary of the Board