

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

**WEDNESDAY, DECEMBER 13, 2023, NOON  
111 W. Harbor Drive, 2<sup>nd</sup> 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. Presentations:**

**Director Recognitions: Carol Kim and Carlos Cota**

- 4. Board Committee Reports and Board Action Items**

**Consent Agenda:**

- A. Approval of Minutes of Board Meetings of October 25, 2023 and “Special” Board Meeting of November 27, 2023**

**Action Item(s):**

**B. Budget Committee (Shawn VanDiver)**

- (1) Financial Update from Chief Financial Officer**
- (2) Authorization to Contract for File Digitization**
- (3) Authorization to Contract for Building Automation System Consultant**
- (4) Authorization to Contract for Medium and Low Voltage Testing**
- (5) Authorization to Ratify Fire Pump Change Order**
- (6) Authorization to Contract for Rollup Door Replacement**
- (7) Authorization to Contract for Generator Electrical Infrastructure**

**C. Audit Committee (Will Rodriguez-Kennedy)**

- (1) Authorization to Place Employee Medical and Employer Paid Basic Life, AD&D and LTD Insurance through Marsh & McLennan Agency LLC Company**

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

**E. Nominating Committee (Carlos Cota)**

- (1) Election of 2024 Board Officers**
- (2) Ratification of Board Committee Assignments**

- 5. Chief Operating Officer Report (Corey Albright)**
- 6. President's Report (Rip Rippetoe)**
- 7. Chair's Report (Carlos Cota)**
- 8. Board Comment [Govt. Code § 54954.2(a)(2)]**
- 9. Urgent non-agenda items (must meet the requirements of Government Code, Section 54954.2)**

**Adjournment**

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

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

**Agenda Item 4.A**

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

**BOARD MEETING OF OCTOBER 25, 2023**

**BOARD MEMBERS PRESENT:** Chair Carlos Cota and Directors Will Rodriguez-Kennedy, Shawn Van Diver, Jaymie Bradford, Alyssa Turowski, and Carol Kim

**BOARD MEMBER(S) ABSENT:** Director Jeff Gattas

**STAFF PRESENT:** Rip Rippetoe, Mardeen Mattix, Corey Albright, Andy Mikschl, Maren Dougherty, Michael Milligan, Victoria Mitchell, and Pat Evans (Recorder)

**ALSO PRESENT:** Jennifer Lyon, General Counsel; Macias, Gini & O’Connell representatives, Marlon Williams, and Miyuki Freeman,

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

**1. Call to Order**

Chair Carlos Cota called the Board Meeting to order at 12:07 p.m. in the Executive Boardroom of the San Diego Convention Center Corporation, 111 West Harbor Drive, San Diego, CA 92101.

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

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

All Directors were recorded as present except Director Jeff Gattas. 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.

Corey Albright, Chief Operating Officer, introduced Paul Turner, the Corporation's newly hired General Manager.

Julia Slocombe, Regional Director for Smart City Networks, introduced the newly appointed General Manager for Smart City Networks' convention center operations, Matthew Chavez.

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

**Consent Agenda:**

**A. Approval of Minutes of Board Meeting of September 27, 2023.**

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

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

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

**Vote: Unanimous**

**AYES: 6**

**NAYS: 0**

**ABSTENTIONS: 0**

**Action Item(s):**

**B. Audit Committee (Will Rodriguez-Kennedy)**

**(1) Acceptance of Audited Annual Financial Report for the Fiscal Year Ended June 30, 2023**

Chair Cota called for a staff report regarding this item. After staff submitted its report, Chair Cota inquired if any member of the public wished to comment on

Agenda Item 3.B.1. No members of the public responded to the request for comment.

**After presentations by Staff, Directors Rodriguez-Kennedy and VanDiver moved and seconded, respectively, to Accept the Audited Annual Financial Report for the Fiscal Year Ended June 30, 2023**

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

**Vote: Unanimous**

**AYES: 6**

**NAYS: 0**

**ABSTENTIONS: 0**

**C. Executive Committee (Carlos Cota)**

**(1) Strategic Plan Update**

Chair Cota reported that staff would provide an update on the status of initiatives in the Strategic Plan previously approved by the Board. No vote is required on this matter as this is an informational update.

Mr. Rippetoe stated that this is the quarterly report for the Corporation’s Strategic Plan with updates through FY 2025. Mr. Rippetoe invited the initiative “owners” to present their reports.

- **Grow and Nurture Culture – Michael Milligan**

Michael Milligan, Executive Director of Human Resources, reported:

- The H.R. Department’s ultimate goal is to build a thriving team, to provide high quality jobs in the community and to earn a reputation as a top workplace. The team is on track to make those events happen by 2025.
- From a milestone standpoint, the team has completed a Talent Acquisition program which is a systematic way to bring talent into the convention center. The team is in the implementation phase of this program and is training all of the hiring managers.
- Last year, from a time to hire standpoint (when a position is posted to when the person accepts the offer), it took, on average, 63 days. This year, year-to-date, it is taking 51 days. The national benchmark is 62 days, so the Corporation is 20% better than the benchmark and 20% better than last year. Our talent acquisition partner, Vespera Monroe, has done a fantastic job.

- We are also focusing diligently on developing an onboarding program and our safety orientation program.
  - The H.R. team is also on track for its other initiatives.
  - Regarding the third milestone, executing all union agreement renegotiations, we may have been a bit overzealous in our attempt to complete the last agreement with the Teamsters. Technically, the agreement is not due until next summer and due to competing priorities, we will probably not complete the process until next year.
- **Develop a Facility Maintenance and Improvement Program – Corey Albright**

Corey Albright, Chief Operating Officer, reported:

- Mr. Albright reported that their team is largely on track and have executed many of its goals, primarily because of Victoria Mitchell and the team that she has helped build.
  - The only delay in the initiatives thus far is a result of data clean-up and conversion for the new work order system (CMMS) that the Board previously approved. This system will enable staff to better track activities throughout the building. The system should be up and running within the next two months.
  - Foundationally, we have made improvements by hiring the right team members with the correct expertise and the appropriate level of bandwidth.
  - We have added a Project Control Analyst, who is handling the financial aspects of our projects (budgets, milestone payments, progression of the project, etc.). The other new position is a Project Administrator who will facilitate items such as contractor access, oversight, maintaining various logs and minutes of activities throughout the building.
  - All of the other initiatives in this category are on track.
- **Refine Business Model to Ensure Financial Viability – Mardeen Mattix and Andy Mikschl**

Andy Mikschl, Executive VP Sales, reported:

- Mr. Mikschl reported that the Sales Team is on track with the milestones related to this imperative. The SDCC internal finance team is continuing to work with SDTA's team to refine some of the economic impact formulas to ensure that we are reporting that information as well as the visitor spend information correctly.
- The team has implemented several new revised policies and parameters of negotiation related to future events and how we negotiate. Specifically, some of the revisions are geared towards increasing the Corporation's rental revenues by the way we are discounting, or the way we offer less discounts.

- The team has also updated its liquidated damages cancellation policies in our future event agreements to provide better protections for the Corporation should events cancel.
- Revenues related to both the Corporation (rental revenues) and our internal partners, Smart City, Sodexo, etc., are certainly returning to pre-pandemic numbers by way of some of the parameters that are being instituted.
- The sales staff have completed a competitive rental study (information from fifteen other like venues), and they are in the process of analyzing the information. It will take some time to review the information due to varied pricing and rental discounts among the competitive set, and the fact that some of the entities have funds that subsidize their operations. Staff feel our rent is competitive, but they may be room for improvements or rental rate increases in coming years.
- Staff is still evaluating how to resolve the issue of the marshaling yard and how to develop analytics regarding how to allocate staffing resources.

Mardeen Mattix: Chief Financial Officer, reported:

- Ms. Mattix provided an update on how the 2023 financial year compared to the record-breaking year of 2019.
- Revenues for fiscal year 2023 is record breaking revenue generation from operations.
- In 2019, the Corporation had a fiscal year surplus of \$3 million which did not occur 2023. The Corporation essentially broke even in 2023 even though expenses increased in 2023.
- The results of revisions to the Corporation's sales philosophy will continue to be apparent in the longer term. Staff will continue to review industry trends and analytics and revise the sales philosophy as needed.

- **Engage the Community** – Maren Dougherty and Juan Reyes

Maren Dougherty, Executive Director of Marketing and Communications, reported:

- Ms. Dougherty reported on her team's goals of strengthening the Corporation's community relationships and understanding of the Convention Center's economic and community impact.
- The Corporation had one major milestone that positions us for better efficiencies and future success which was the implementation of the digital asset management system. The Corporation has tens of thousands of photos and pdfs which are shared with our clients. The department was spending a lot of time searching for specific images that were needed by various individuals, so a system was needed that would help sort and catalog and share those assets.

- The team spent the last few months implementing the new system and they have now uploaded all of these important assets as well as gone through and tagged them to make them more readily available for team members and clients.
- Department staff has also started to train the sales and event managers on how to access this content library directly and will eventually train other colleagues across the organization as well as our partners at the Tourism Authority. Eventually, specific portals will be created just for individuals to access the information they need.
- The team had a very positive experience working with the internal Procurement and IT teams to select the appropriate software and develop this program (Cantel).
- The other departmental KPIs and milestones are all on track. The media coverage has primarily focused on three topics: (1) the speculation during Comic-Con about the crowd size impact due to the strikes in Hollywood. We knew that the event was sold out and Comic-Con was confident in the event; and yet there was constant media coverage asking if people would come. These discussions gave the Corporation an opportunity to address the economic impact from before and after the event. (2) The hiring of Paul Turner as the Center's General Manager also generated positive coverage locally as well as in trade publications because of Paul's impressive resume within the industry. (3) The Wall Street Journal's ranking of the San Diego Convention Center as fourth in the nation also generated additional coverage from outlets looking into the criteria and discussing SDCCC as compared to Las Vegas and Chicago. That coverage presented a great opportunity for the Center to tell its story at a national level.
- The Corporation has continued its community presence through panel discussions, community service activities, meaningful volunteerism, and Board service of our leadership team with non-profit organizations, and the continued lighting of our Sales Pavilion for community causes and initiatives (verses lighting for client requests).

After completion of the Strategic Plan Update, 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.

Chair Cota commented on the Convention Center's rapid recovery from COVID, and he also noted the positive impacts of changes in the Sales team's philosophy and the implementation of the strategic plan and the attendant KPIs. Chair Cota and Director Kim also thanked the staff for investing their efforts into ensuring the success of the strategic plan.



**D. Budget Committee (Shawn VanDiver)**

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

Ms. Mattix reported the following:

- When the 2023 budget was developed, the Sales team had not yet fully initiated its current sales philosophy and SDCC also didn't have the maintenance schedule for the building planned, so Finance budgeted according to historical trends.
- Some of the revenue shortage is intentional because the Corporation has not filled in some of the projected events that we would have traditionally filled in the past (in order to allow time for maintenance projects). When we gave our presentation to City Council, we had forecasted just a little over one hundred events and we normally hosted approximately 140 events. Hosting ninety events appears to be the "sweet spot."
- On the flip side of that, we budgeted for part time support because the short-term events are heavily driven with part-time labor support, so you are seeing an offset in the financials. Ultimately, the bottom-line is a wash. Even though it was unsettling to see a shortage in revenue, you also have some savings on the expenses.
- How does all of this impact our employment picture? Comparing last year to this year, we are up approximately 80,000 hours in labor, and we have hired more people. We currently have 217 part-time employees (compared to 158 last year). We also have 200 full-time employees (compared to 180 last year). Staff is working more; however, they are working smarter, and we are starting to train and develop more skill sets within our workforce.
- The Corporation is at a wash with regard to operational costs. The Corporation has spent approximately \$2 million of the reserves (I-bank debt and capital improvements), so the reserves are sitting at approximately \$27 million.

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

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

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

**Vote: Unanimous**

**AYES: 6**

**NAYS: 0**

**ABSTENTIONS: 0**

**(2) Authorization to Contract for Fireproofing Services**

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

**After presentations by Staff, Directors Rodriguez-Kennedy and VanDiver moved and seconded, respectively, to Authorize a Contract with Raymond San Diego, Inc. for fireproofing services with a not-to-exceed project budget of \$200,000, inclusive of contingency.**

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

**Vote: Unanimous**

**AYES: 6                      NAYS: 0                      ABSTENTIONS: 0**

**(3) Authorization to Contract for Uniform Purchase**

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

**After presentations by Staff, Directors Kim and VanDiver moved and seconded, respectively, to Authorize a Contract with UniFirst for ongoing uniform purchase requirements at a cost of \$417,646.42.**

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

**Vote: Unanimous**

**AYES: 6                      NAYS: 0                      ABSTENTIONS: 0**

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

Andy Mikschl presented the following report:

- Fiscal year-to-date, the short-term sales team has booked nine events compared to fifteen events for the same time period last year. Although six less events were booked, the booked events represent \$70,000 more in rental revenue. The team is focusing on booking more fiscally impactful events.
- Mr. Mikschl cited an example of a short-term technology event that was recently booked because the center was able to partner with both the Marriott and Hyatt hotels. The event produced 1,400 peak room nights booked in the destination.
- The team is focusing on events that not only bring in the community, but also assist our hotel partners in generating room nights.
- Coming up next week, the Center partnered with the County of San Diego to host the “Live Well” event. Community attendance is expected to do well.
- Mr. Schieferdecker reported that the long-term sales team closed on two events for a total of four events that represents over 99,000 room nights. The team has booked half of the number of events, compared to last year's total, but the events booked account for almost fifty percent more room nights booked.
- One event falls within the next two years and represents 10,000 room nights and Angie Ranalli (celebrating her 30<sup>th</sup> anniversary with the team) signed International Society of Technology and Education which represents 50,000 room nights with almost 18,000 people in attendance for June of 2033.
- The client funnel also remains strong. The processes put in place over the past several months are gaining great traction and the team feels very good about the success of the new sales strategy – making better business decisions while driving more revenue to the hotels and also limiting our risk as a destination and a building.
- SDTA participated in the IMEX conference last week. IMEX is the industry’s largest show, and it took place in Las Vegas. There were a record number of exhibitors and attendees this year. The event opened with the California Gateway Cities Breakfast wherein SDTA partnered with Anaheim, Los Angeles, and San Francisco. 150 total customers attended.
- The SDTA booth scheduled 156 half-hour appointments. Combined with sixteen (mostly hotel) partners, a few venues and a couple of DMCs, the team had almost 500 total appointments. The team also provided three separate presentations that focused on the convention centers/downtown of the four principal area participants.
- Mr. Schieferdecker also attended a “Meetings Mean Business” event which was sponsored by U.S. Travel. U.S. Travel noted that international travel is coming back with increased flight capacity by British Airways and Lufthansa in San Diego and across the country. This is important because of the number of foreign travelers who attend medical conventions hosted in San Diego (20 – 40%).
- PCMA is seventy days away and the Rady Shell is locked down for a final night event. Entertainment and key-note speakers for the event will be announced soon.
- SDTA has three openings for General Manager positions on its Board and a slate of names will be presented to the SDTA Board on Monday.

After staff submitted its reports, Chair Cota inquired if any member of the public wished to comment on Agenda Item (3.E). No members of the public responded to the request for

comment. No vote was required on this item as it is a Sales & Marketing Committee update.

#### 4. **Chief Operating Officer's Report (Corey Albright)**

- Mr. Albright thanked Ms. Mitchell and her team for all of their behind-the-scenes infrastructure work.
- The team has made significant progress with where it needs to be in terms of engineering and capital projects. Mr. Albright will share the vision for the future at the upcoming Board Retreat.
- The team has made good strides working with the City regarding the roof replacement discussion. The staff is working with the City Attorney's office on the content of the proposed agreement. The agreement is in the "red-line" phase and an actionable agreement should be ready by January.
- The kitchen project is moving along well. The project is through 90% of the demolition phase, with a flooring selection pending. The estimated completion date of the project is early February.

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

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

- Last Friday the Convention Center was named one of the 25 Convention Centers of Excellence by Exhibitor Magazine.
- Some staff members have been attending training at the National Conflict Resolution Center to determine if it is an appropriate venue for staff leadership training.
- Please review e-mails pertaining to the PCMA event as they will contain important information about the event.
- Mr. Rippetoe will participate in a presentation next Tuesday at the University Club about the impact of tourism in San Diego. Julie Coker and the San Diego Airport's information officer will also be a part of the discussion panel.
- "InterPride" started its 40<sup>th</sup> anniversary event today at the Westin and Westgate Hotels. Representatives from twenty countries will be in attendance.
- Freeman Company is hosting webinar calls educating new exhibitors about convention centers. Key takeaways from the latest call:
  - Attendees are getting younger and faster.
  - Hybrid-remote works – events are a solution for the disconnected worker.
  - Events are experiencing higher attendance because it is the one time a year teams can gather together.
  - "Bleisure" (the combination of business and leisure) demand has increased.
  - There is a rise in first-time exhibit managers.
  - Exhibitor dissatisfaction is growing along with the changes in management – every venue and every contractor needs to address that issue.
  - Marketing departments are now in charge of events, and they want to see measurable results.

- Staff needs to be able to respond to trends and help educate and influence clients.

After staff submitted its report, Chair Cota inquired if any member of the public wished to comment on Agenda Item (5). No members of the public responded to the request for comment.

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

- There is no Board meeting in November – everyone enjoy your Thanksgiving holiday safely.
- The Board Retreat is scheduled for Monday, November 27, 2023, at 8:00 a.m. in Room 24.
- The next Board meeting is scheduled for December 13, 2023, at Noon.

After Chair Cota submitted his report, he inquired if any member of the public wished to comment on Agenda Item (6). No members of the public responded to the request for comment.

**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**

There being no further business, the meeting adjourned at 1:26 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 October 25, 2023, and that said minutes were approved by the Board of Directors on December 13, 2023.

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Will Rodriguez-Kennedy, Secretary

Agenda Item 4.A

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

**SPECIAL BOARD MEETING OF NOVEMBER 27, 2023**

<b>BOARD MEMBERS PRESENT:</b>	Board Chair Carlos Cota and Directors Jeff Gattas, Will Rodriguez-Kennedy, Alyssa Turowski and Carol Kim
<b>BOARD MEMBER(S) ABSENT:</b>	Directors Shawn VanDiver and Jaymie Bradford
<b>STAFF PRESENT:</b>	Rip Rippetoe (via phone), Mardeen Mattix, Corey Albright, Andy Mikschl, Maren Dougherty, Michael Milligan, Victoria Mitchell, Paul Turner, and Pat Evans (Recorder)
<b>ALSO PRESENT:</b>	Jennifer Lyon, General Counsel

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

1. **Call to Order**

Chair Carlos Cota called the “Special” Board Meeting to order at 9:00 a.m. in Room 24 of the San Diego Convention Center Corporation, 111 West Harbor Drive, San Diego, CA 92101.

All Directors were recorded as present except Director Van Diver and Director Bradford.

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. **Board Retreat**

**A. Presentations and general discussion regarding: Convention Center Industry, SDCCC Business, and SDCCC Strategic Plan. No action to be taken.**

Chair Cota commenced the retreat discussions at 9:00 a.m. Various speakers and staff provided presentations regarding (1) Sales & Marketing Updates; (2) Legal Updates, (3) Project Status and Policy Update Overview, and (4) Project Complexity.

Director Bradford arrived on site at 10:05 a.m.

Mayor Todd Gloria addressed the retreat participants during the lunch break from 12:00 a.m. until 12:30 p.m.

Guest speaker, Nathan Kelly of the San Diego Tourism Authority, provided a presentation regarding the San Diego Convention Center's Impact on Regional Economics.

The Board Retreat resumed at 1:15 p.m. with a staff presentation regarding "Funding for the Future."

The retreat participants took a break from 3:00 to 3:15 p.m. followed by open discussion and wrap-up which continued until 3:35 p.m. Chair Cota then provided comments as outgoing Chair, followed by comments from presumptive 2024 Chair, Jeff Gattas.

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

There being no further business, the meeting adjourned at 3:45 p.m.

**Certification**

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 November 27, 2023, and that said minutes were approved by the Board of Directors on December 13, 2023.

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Will Rodriguez-Kennedy, Secretary

**CFO Report to Board of Directors**  
**For the month ending October 31, 2023**  
*(As of November 28, 2023)*

**Financial Performance:**

**Revenue:** YTD through October 2023, net revenues remain slightly below the budget by \$233K due to offsetting fluctuations. Overall performance of events surpasses expectations. To provide context, during the budgeting phase, our sales strategy had not been finalized. Consequently, we projected a number of short-term events that will not materialize due to the implemented changes in the sales strategy, resulting in a minor revenue shortfall. Furthermore, two events were canceled due to the overall cost of San Diego, prompting a relocation to more cost-effective destinations.

During October, we hosted (4) Citywide events and two (2) meetings.

**Expenses:** Most expense categories are trailing budget, except for utilities, which experienced a record high in July. It is expected that all categories will remain within their budgetary limits otherwise through year-end.

Some specific areas within expenses to note:

1. Personnel expenses overall are right on target compared to budget.
2. General expenses are trailing budget by \$368K mostly due to equipment purchase delays planned to arrive in 2024 that were budgeted for earlier in the year
3. Repairs and Maintenance are also trailing the budget by \$890K temporarily due to planned maintenance in Nov/Dec that was budgeted for earlier in the year.
4. Electrical utilities continue to be over budget by \$425K though the category as a whole is only \$388K over budget. This is mostly due to a higher commodity rate than planned for in the budget (consumption so far seems in line with historical trends) as well as the methodology used to spread the budget. When the budget was prepared, it was based on the prior year's historical trend which was the first year back from COVID and did not reflect the same level and timing of event activity as this year.
5. Non-operating interest/Investment income is better than budget by \$311K YTD due to the rising interest rate returns in the bond market compared to the 10-year historical trend.

**Operating results:** The expected year-to-date (YTD) operational loss was projected at \$876K. However, the actual YTD performance resulted in only a loss of \$218K, for a \$657K favorable result. Operating income represents all business activities including depreciation of equipment before interest and taxes, leaving a positive variance of \$940K for SDCC after factoring interest income (SDCC is exempt from tax).

SDCC uses a comprehensive strategy to oversee its business operations, monitoring debt and lease payments, with a focus on capital renewal investments through reserve activity tracking. SDCC has made all required debt service payments and has invested \$1.3M more in capital renewal projects from its reserve, surpassing the initial budgetary plan YTD. Some capital renewal projects planned in FY2024 will not complete before the end of the year due to equipment lead times. As of October, the unrestricted reserve balance remains at approximately \$27 million.



**San Diego Convention Center Corporation**  
**Statement of Net Position**  
*October 31, 2023*

	Balance at 10/31/2023	June 30, 2023	Variance	% Change
<b>ASSETS</b>				
Cash and cash equivalents	\$ 9,022,897	\$ 12,226,115	\$ (3,203,218)	-26%
Investments	25,180,864	22,745,894	2,434,970	11%
Accounts receivable, net	7,951,758	6,316,905	1,634,853	26%
Prepaid expenses	727,989	1,147,357	(419,367)	-37%
Deposits with others	134,004	135,504	(1,500)	-1%
Inventory	53,081	53,081	0	0%
Note receivable	274,556	374,556	(100,000)	-27%
Capital assets, net	34,098,511	33,488,593	609,917	2%
<b>Total Assets</b>	<b>\$ 77,443,659</b>	<b>\$ 76,488,005</b>	<b>\$ 955,654</b>	<b>1%</b>
<b>LIABILITIES</b>				
Accounts payable	1,413,648	1,184,431	229,217	19%
Accrued liabilities and compensated absences	4,578,664	3,400,643	1,178,021	35%
Accrued I-Bank interest and loan administrative fe	209,746	396,855	(187,109)	-47%
Retention payable	66,926	22,473	44,453	198%
Unearned income	5,199,916	4,240,986	958,930	23%
Current portion of long-term debt	1,439,688	1,384,843	54,845	4%
Long-term portion of unearned income	2,956,915	3,093,182	(136,267)	-4%
Long-term debt	20,950,454	22,021,494	(1,071,041)	-5%
<b>Total Liabilities</b>	<b>\$ 36,815,957</b>	<b>\$ 35,744,907</b>	<b>\$ 1,071,050</b>	<b>3%</b>
<b>NET POSITION</b>				
Net investment in capital assets	13,207,139	11,581,027	1,626,112	14%
Unrestricted	27,420,563	29,162,071	(1,741,508)	-6%
<b>Total net position</b>	<b>\$ 40,627,702</b>	<b>\$ 40,743,098</b>	<b>\$ (115,396)</b>	<b>0%</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 77,443,659</b>	<b>\$ 76,488,005</b>	<b>\$ 955,654</b>	<b>1%</b>

**San Diego Convention Center Corporation - Detailed Statement of Revenues & Expenses**  
**For the Month Ended October 31, 2023**  
**\*\*Unaudited\*\***

	Monthly Amounts			YTD Amounts			Annual	Forecast
	Budget	Actual	Act vs Bud Fav/(Unfav)	Budget	Actual	Act vs Bud Fav/(Unfav)	Budget	Annual Results
<b>REVENUES</b>								
Building Rent - Net	1,075,760	1,006,320	(69,440)	3,149,190	2,675,934	(473,256)	9,624,410	9,151,154
Food & Beverage	906,760	790,694	(116,066)	5,182,120	5,160,812	(21,308)	14,834,860	14,813,552
Event Services	422,475	657,634	235,159	1,495,746	1,829,926	334,180	4,321,960	4,656,140
Utilities	634,104	857,658	223,553	2,020,947	2,083,285	62,339	6,599,980	6,662,319
Telecommunications	545,604	702,160	156,556	1,906,027	1,937,556	31,529	5,454,420	5,485,949
Audio Visual	105,480	102,996	(2,484)	528,670	548,227	19,557	1,440,340	1,459,897
Other Ancillaries	116,833	27,735	(89,099)	375,033	188,637	(186,397)	1,043,400	857,003
Other Revenues	625	950	325	2,500	2,650	150	7,500	7,650
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 3,807,642</b>	<b>\$ 4,146,146</b>	<b>\$ 338,505</b>	<b>\$ 14,660,232</b>	<b>\$ 14,427,027</b>	<b>\$ (233,205)</b>	<b>\$ 43,326,870</b>	<b>\$ 43,093,665</b>
<b>OPERATING INFLOWS</b>								
City of San Diego Contributions - Marketing	227,888	227,888	0	911,550	911,550	0	2,734,650	2,734,650
City of San Diego Contributions - Operating Funds	416,667	416,667	0	1,666,667	1,666,668	1	5,000,000	5,000,001
<b>TOTAL OPERATING INFLOWS</b>	<b>\$ 644,554</b>	<b>\$ 644,555</b>	<b>\$ 0</b>	<b>\$ 2,578,217</b>	<b>\$ 2,578,218</b>	<b>\$ 1</b>	<b>\$ 7,734,650</b>	<b>\$ 7,734,651</b>
<b>TOTAL REVENUES &amp; INFLOWS</b>	<b>\$ 4,452,196</b>	<b>\$ 4,790,701</b>	<b>\$ 338,505</b>	<b>\$ 17,238,449</b>	<b>\$ 17,005,245</b>	<b>\$ (233,204)</b>	<b>\$ 51,061,520</b>	<b>\$ 50,828,316</b>
<b>EXPENSES</b>								
<b>PERSONNEL EXPENSES</b>								
Salaries & Wages - Full Time	1,444,239	1,441,562	2,677	5,666,398	5,855,406	(189,008)	18,197,198	18,662,065
Salaries & Wages - Part Time	339,955	438,208	(98,253)	1,935,960	1,801,404	134,556	5,570,308	5,582,870
Fringe Benefits	515,475	539,547	(24,072)	2,153,803	2,133,101	20,702	6,565,614	6,560,879
<b>Total: Personnel Expenses</b>	<b>\$ 2,299,669</b>	<b>\$ 2,419,316</b>	<b>\$ (119,647)</b>	<b>\$ 9,756,161</b>	<b>\$ 9,789,911</b>	<b>\$ (33,750)</b>	<b>\$ 30,333,120</b>	<b>\$ 30,805,814</b>
<b>SUPPLIES &amp; SERVICES EXPENSES</b>								
General Expenses	128,507	173,599	(45,092)	1,002,877	634,017	368,860	2,556,983	1,816,123
Repairs & Maintenance	354,927	131,772	223,155	1,986,262	1,095,705	890,557	6,084,882	6,084,882
Utilities	624,294	678,478	(54,184)	2,579,013	2,967,787	(388,774)	5,955,000	6,343,774
Contracted Services	31,894	16,845	15,049	322,672	277,311	45,361	718,840	724,980
Travel & Transportation	15,350	8,499	6,852	34,390	35,224	(834)	103,535	106,718
Insurance	59,156	54,772	4,384	234,344	221,183	13,161	763,000	749,839
Telecom Services	6,457	11,869	(5,412)	32,575	23,007	9,568	92,100	82,532
Sales & Marketing	228,358	227,900	458	915,362	911,737	3,625	2,784,440	2,784,440
Supplies	36,341	35,808	533	302,410	173,346	129,064	689,350	560,286
<b>Total: Supplies &amp; Services Expenses</b>	<b>\$ 1,485,283</b>	<b>\$ 1,339,541</b>	<b>\$ 145,742</b>	<b>\$ 7,409,905</b>	<b>\$ 6,339,318</b>	<b>\$ 1,070,587</b>	<b>\$ 19,748,130</b>	<b>\$ 18,677,543</b>
<b>DEPRECIATION</b>								
Depreciation	243,568	229,972	13,596	947,442	909,706	37,736	3,194,806	3,261,070
Amortization	0	46,764	(46,764)	0	187,055	(187,055)	0	561,175
<b>Total: Depreciation &amp; Amortization</b>	<b>\$ 243,568</b>	<b>\$ 276,736</b>	<b>\$ (33,168)</b>	<b>\$ 947,442</b>	<b>\$ 1,096,761</b>	<b>\$ (149,319)</b>	<b>\$ 3,194,806</b>	<b>\$ 3,822,245</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 4,028,520</b>	<b>\$ 4,035,593</b>	<b>\$ (7,073)</b>	<b>\$ 18,113,508</b>	<b>\$ 17,225,990</b>	<b>\$ 887,518</b>	<b>\$ 53,276,056</b>	<b>\$ 53,305,603</b>
<b>NET OPERATING INCOME/(LOSS)</b>	<b>\$ 423,675</b>	<b>\$ 755,108</b>	<b>\$ 331,432</b>	<b>\$ (875,059)</b>	<b>\$ (220,745)</b>	<b>\$ 654,313</b>	<b>\$ (2,214,536)</b>	<b>\$ (2,477,287)</b>
<b>NON-OPERATING</b>								
<b>NON-OPERATING REVENUE</b>								
Interest Income	8,333	87,175	78,841	33,333	338,696	305,362	100,000	700,000
Other Income	17,675	11,742	(5,933)	70,916	76,982	6,066	212,100	218,166
<b>Total: NON-OPERATING REVENUE</b>	<b>\$ 26,008</b>	<b>\$ 98,916</b>	<b>\$ 72,908</b>	<b>\$ 104,249</b>	<b>\$ 415,677</b>	<b>\$ 311,428</b>	<b>\$ 312,100</b>	<b>\$ 918,166</b>
<b>NON-OPERATING EXPENSE</b>								
Non-Operating Expense	69,916	76,412	(6,496)	282,396	310,328	(27,932)	841,724	869,656
<b>Total: NON-OPERATING EXPENSE</b>	<b>\$ 69,916</b>	<b>\$ 76,412</b>	<b>\$ (6,496)</b>	<b>\$ 282,396</b>	<b>\$ 310,328</b>	<b>\$ (27,932)</b>	<b>\$ 841,724</b>	<b>\$ 869,656</b>
<b>TOTAL NON-OPERATING REVENUE (EXPENSE)</b>	<b>\$ (43,908)</b>	<b>\$ 22,504</b>	<b>\$ 66,412</b>	<b>\$ (178,147)</b>	<b>\$ 105,350</b>	<b>\$ 283,496</b>	<b>\$ (529,624)</b>	<b>\$ 48,510</b>
<b>CHANGE IN NET POSITION (YTD Income/Loss)</b>	<b>\$ 379,768</b>	<b>\$ 777,612</b>	<b>\$ 397,844</b>	<b>\$ (1,053,206)</b>	<b>\$ (115,396)</b>	<b>\$ 937,810</b>	<b>\$ (2,744,160)</b>	<b>\$ (2,428,777)</b>
<b>+ Depreciation (does not impact reserves)</b>	243,568	276,736	33,168	947,442	1,096,761	149,319	3,194,806	3,261,070
- Principal: iBank Loan & Lease Payable	0	(43,815)	(43,815)	(842,880)	(1,016,195)	(173,315)	(841,724)	(869,656)
- Capital Purchases	(163,000)	(746,192)	(583,192)	(481,603)	(1,706,679)	(1,225,076)	(13,270,978)	(9,496,054)
<b>TOTAL NET IMPACT ON RESERVES</b>	<b>\$ 460,336</b>	<b>\$ 264,340</b>	<b>\$ (195,996)</b>	<b>\$ (1,430,247)</b>	<b>\$ (1,741,508)</b>	<b>\$ (311,262)</b>	<b>\$ (13,662,056)</b>	<b>\$ (9,533,416)</b>



**Agenda Item 4.B.3**

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

**TO: Board of Directors**

**FROM: Shawn VanDiver, Budget Committee Chair**

**DATE: For the Agenda of December 13, 2023**

**RE: Authorization to Contract for Building Automation System Consultant**

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**BACKGROUND**

The San Diego Convention Center features a building automation system (BAS) that acts as a centralized control system that manages and monitors various building functions, systems, and devices. The purpose of our BAS is to enhance the efficiency, comfort, and safety of the building while optimizing energy consumption. The system can regulate and automate functions such as heating, ventilation, air conditioning (HVAC), lighting, and other building systems.

**DISCUSSION**

Staff budgeted \$800,000 in FY24 towards the evaluation and improvement of BAS assets. Staff issued a request for proposals for a qualified consultant to assess and provide recommendations to optimize our BAS. Staff received five (5) proposals:

<b>Vendor</b>	<b>Cost</b>
Drake Integrations	\$310,000
Henderson Engineers	\$344,750
P2S Inc	\$69,500
SC Engineers	\$224,000
Syska Hennessy	\$220,000

Staff formed an evaluation committee and determined SC Engineers to be the best value based on the following criteria: Price 35%, Company Resume – 10%, Proposed Project Schedule & Methodology – 10%, Sample Work Product – 20%, Terms and Conditions & Proposal Completion – 5%, and Comparable Projects – 20%. Staff recommends awarding a contract to SC Engineers with a budget of \$224,000.

**STAFF RECOMMENDATION**

Authorize award of a Contract to SC Engineers for Building Automation Consultation with a not-to-exceed budget of \$224,000.

\_\_\_\_\_  
/s/  
Shawn VanDiver,  
Budget Committee Chair



**Agenda Item 4.B.5**

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

**TO: Board of Directors**

**FROM: Shawn VanDiver, Budget Committee Chair**

**DATE: For the Agenda of December 13, 2023**

**RE: Ratification of Fire Pump Change Order**

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**BACKGROUND**

In January 2019, the Board of Directors approved authorization to contract with Arrow Automatic Fire Sprinkler for the replacement of the diesel fire pump that supports the Sails Pavilion. The fire pump provides the necessary water pressure and flow to meet the demand requirements for the fire suppression system in the Sails Pavilion. The original diesel fire pump and engine assembly exceeded their useful life expectancy, resulting in the necessity of a complete replacement. During this phase of the project, Staff encountered performance issues with the contractor and elected to terminate the contract compensating them \$95,980.43 for the purchase of the fire pump, engineering, and the Air Pollution Control District permit and \$2,328 for administrative fees.

In February 2020, the Board of Directors approved authorization to contract with Bradshaw Engineering to continue the fire pump replacement project with a contract budget of \$322,388, totaling a project budget of \$420,696.43 with prior progress payments.

**DISCUSSION**

In October 2023, Bradshaw Engineering submitted a change order request to Staff for an additional \$48,415 due to significant permitting delays resulting from the COVID-19 pandemic and unforeseen engineering and construction requirements. Bradshaw further recommended we contract with A&M Pumps for \$4,000 to replace the packing and gasket in the fire pump that had been stored.

Staff determined the recommendations to be fair, reasonable, and essential to completing the fire pump replacement. Given that the fire pump is an essential component of our fire life safety infrastructure and a condition of occupancy for the Sails Pavilion space, Staff approved both items exceeding the project budget by \$52,415.









**Agenda Item 4.C.1**

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

**TO: Board of Directors**

**FROM: Mardeen Mattix, Chief Financial Officer**

**DATE: For the Agenda of December 13, 2023**

**RE: Authorization of Employee Benefits for plan year 2024-2025 through Marsh & McLennan Agency, LLC Company**

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**Background**

The San Diego Convention Center Corporation (SDCCC) provides full-time employees and their dependents with medical, dental, vision, life, accidental death, and dismemberment (AD&D), long-term disability, employee assistance program (EAP), flexible spending, and voluntary benefits. SDCCC also provides variable employees medical benefits. These health insurance programs are renewed each year on March 1. We strive to provide benefits that (a) are affordable, (b) match or lead the marketplace based on benchmarks, (c) minimize disruption to our employees and (d) meet budgetary objectives. Three years ago, the SDCCC implemented a slow, planned increase in employer contribution rates to align closer to the competitive market. The cost-sharing table is listed below and will be used for the upcoming plan year for the medical and dental plans.

Medical Plan Cost Share	Employer (SDCCC)	Employee
Employee Only	75%	25%
Employee and Spouse/Domestic Partner	65%	35%
Employee and Child(ren)	70%	30%
Employee and Family	60%	40%

Marsh & McLennan Agency LLC Company (Marsh) was contracted for March 1, 2018 – March 1, 2021, as the Broker of Record with an annual renewal option unless terminated by the SDCCC. The SDCCC exercised the option to extend it through February 2024. The SDCCC wishes to extend the option through February 2025. Marsh provides brokerage services in regard to the placement of employee benefits coverage for medical, dental, vision, life/AD&D, long-term disability, EAP, flexible spending accounts, and voluntary benefits.

**Discussion**

The SDCCC requested Marsh to (a) solicit quotes for all lines of coverage for the upcoming plan year, even if a rate guarantee (0% increase) was in place to assess the marketplace and (b) leverage the quotes with the renewal rates of the incumbents. The good news is that while the initial Aetna medical plan renewal was +32%, the negotiated rate dropped to +17.9% due to a competitor's quote. Aetna's elevated renewal rate was the result of six (6) significant claims along with their loss-leading strategy and assumption that we wouldn't change carriers.

The SDCCC faces three primary options: switching to a new medical insurance carrier within three years (disruptive for employees), passing the 17.9% increase to employees (financially devastating), or adopting the recommended scenario noted below in column 3 of the chart. This proposal involves introducing a \$500 and \$1000 deductible plan for individuals and families, coupled with a \$1000 increase in the out-of-pocket maximum for both categories (\$3000/\$5000). This plan results in a 1.6% cost-sharing increase for both the corporation and employees. Notably, deductibles exclude preventive care, routine exams, immunizations, primary care, specialist visits, urgent care, and prescription drugs. Deductibles are applicable to services like emergency room visits, outpatient care, inpatient care, residential treatment facilities, skilled nursing, etc.

It's important to highlight that the SDCCC secured a \$60,000 premium credit from Aetna. This recommended plan aligns with past employee feedback, maintains a richer plan design compared to local benchmarks, and ensures a reasonable cost-sharing increase.

Based on employee feedback, the SDCCC secured the addition of a SIMNSA Dental DHMO. This option allows Mexican National eligible employees to access a rich plan across the border and reduces the SIMSNA medical plan premium from a 5% to 4% increase.

There are four recommendations outlined below. The first is to move to a deductible plan and to increase the out-of-pocket maximum with Aetna for individuals and families, respectively. The second is to add SIMSNA Dental HMO as a carrier. The third is to add orthodontia to the Dental PPO plan. The fourth is for The Hartford Group to take over the SDCCC paid life, disability, and long-term disability, and the employee paid voluntary life, disability, accident, and critical illness lines of coverage.

### **Medical Insurance**

SDCCC offers three Health Maintenance Organization plans: two are provided through Aetna and one is offered through SIMSNA. One of the main differences between the Aetna plans is that the Aetna Value Network provides a more robust network (i.e., Mercy, UCSD and Scripps) but is more costly of a plan than the Aetna Whole Health (narrower network). One hundred one (101) and seventeen (17) employees currently participate in the Aetna Whole Health and Aetna Value Network plans, respectively. The SDCCC is required to offer coverage in accordance with the Affordable Care Act for variable-hour/part-time employees who meet eligibility requirements. Currently, two (2) variable-hour employees participate in Aetna's Whole Health plan. Lastly, thirty-two (32) employees participate in our SIMNSA plan, which is a cross-border HMO plan available to Mexican Nationals, who are actively working in the San Diego or Imperial counties. The SDCC anticipates twenty-five (25) additional employees will enroll in coverage over the coming year, for a projected increase of \$300,000 in costs.

**Cost Comparison Table**

	3/1/2023 - 2/28/2024			3/1/2024 - 2/28/2025			
	Premium	SDCC Monthly Prem	EE Monthly Premium	Premium	SDCC Monthly Prem	EE Monthly Premium	Per PP EE increase
<b>Aetna Value Plan (Wide Network)</b>							
Employee Only	\$835.88	\$532.84	\$303.04	\$849.39	\$541.46	\$307.94	\$2.45
Employee and Spouse/Dom Partner	\$2,006.16	\$1,108.33	\$897.83	\$2,038.60	\$1,126.26	\$912.34	\$7.26
Employee and Child(ren)	\$1,462.79	\$870.30	\$592.49	\$1,486.45	\$884.37	\$602.08	\$4.80
Employee and Family	\$2,549.53	\$1,300.18	\$1,249.35	\$2,590.75	\$1,321.20	\$1,269.55	\$10.10
<b>Aetna Whole Health (Narrow Network)</b>							
Employee Only	\$710.45	\$532.84	\$177.61	\$721.94	\$541.46	\$180.49	\$1.44
Employee and Spouse/Dom Partner	\$1,705.13	\$1,108.33	\$596.80	\$1,732.71	\$1,126.26	\$606.45	\$4.83
Employee and Child(ren)	\$1,243.29	\$870.30	\$372.99	\$1,263.39	\$884.37	\$379.02	\$3.02
Employee and Family	\$2,166.96	\$1,300.18	\$866.78	\$2,202.00	\$1,321.20	\$880.80	\$7.01
<b>SIMNSA</b>							
Employee Only	\$240.51	\$180.38	\$60.13	\$250.13	\$187.60	\$62.53	\$1.20
Employee and Spouse/Dom Partner	\$471.96	\$330.37	\$141.59	\$490.80	\$343.56	\$147.24	\$2.83
Employee and Child(ren)	\$594.07	\$386.15	\$207.92	\$617.83	\$401.59	\$216.24	\$4.16
Employee and Family	\$764.68	\$458.81	\$305.87	\$795.27	\$477.16	\$318.11	\$6.12

**Aetna Whole Health (AWH) HMO**

MEDICAL PLANS	Aetna				Aetna Option	
	CURRENT / RENEWAL				Plan Option	
	Aetna AWH \$20/40/500A RX3				Aetna AWH \$500 Ded. \$20/\$40/20% HRx3	
	In Network Only				In Network Only	
Calendar Year Deductible - Individual / Family	None				\$500 / \$1,000	
Calendar Year Out of Pocket Maximum - Individual / Family	\$2,000 / \$4,000				See below	
<b>Medical Services</b>						
Preventive Care Services	No Charge					
Primary Care Visit	\$20				\$20	
Specialist Office Visit	\$40				\$40	
Basic X-ray and Laboratory	No charge				\$40 (X-ray) / No charge (lab)	
Complex Imaging (MRI, CT Scan, etc.)	\$100				\$150	
Inpatient Hospital	\$500 / admit				20% after Deductible	
Outpatient Hospital Surgery	\$200				20% after Deductible	
Emergency Room (True ER)	\$150				\$150	
Urgent Care	\$50				\$50	
Chiropractic (Rider)	\$15 (20 visits)				\$15 (20 visits)	
Acupuncture (Rider)	\$20 (20 visits)				\$20 (20 visits)	
Rehab Therapy (incl. Physical Occ & Speech)	\$40				\$40	
<b>Prescription Drugs</b>						
Generic / Tier 1	\$10				\$10	
Formulary / Tier 2	\$30				\$30	
Non-Formulary / Tier 3	\$50				\$50	
Specialty / Tier 4	30% to \$250				30% to \$250	
Mail Order Copay	2x Retail				2x Retail	
<b>Monthly Rates</b>	<b>Enrollment</b>	<b>Current</b>	<b>Initial Renewal</b>	<b>Negotiated Renewal</b>	<b>Plan Option OOP Max: \$3K / \$6K</b>	<b>Plan Option OOP Max: \$3K / \$5K</b>
Employee Only	73	\$710.45	\$937.82	\$837.61	\$720.86	\$721.94
Employee + Spouse	12	\$1,705.13	\$2,250.83	\$2,010.31	\$1,730.11	\$1,732.71
Employee & Child(ren)	6	\$1,243.29	\$1,641.18	\$1,465.81	\$1,261.50	\$1,263.39
Employee & Family	10	\$2,166.96	\$2,860.46	\$2,554.80	\$2,198.70	\$2,202.00
<b>Monthly Total</b>	<b>101</b>	<b>\$101,454</b>	<b>\$133,923</b>	<b>\$119,612</b>	<b>\$102,940</b>	<b>\$103,094</b>
<b>Annual Total</b>		<b>\$1,217,445</b>	<b>\$1,607,070</b>	<b>\$1,435,345</b>	<b>\$1,235,281</b>	<b>\$1,237,134</b>
<b>Annual Change from Current - \$</b>			<b>\$389,625</b>	<b>\$217,900</b>	<b>\$17,836</b>	<b>\$19,689</b>
<b>Annual Change from Current - %</b>			<b>32.0%</b>	<b>17.9%</b>	<b>1.5%</b>	<b>1.6%</b>
<b>Next Renewal Date:</b>			<b>3/1/2025</b>		<b>3/1/2025</b>	

**Aetna Value Network (AVN) HMO**

MEDICAL PLANS	Aetna				Aetna Option	
	CURRENT / RENEWAL				Plan Option	
	Aetna AVN \$20/40/500A RX3				Aetna AVN \$500 Ded. \$20/\$40/20% H Rx3	
	In Network Only			In Network Only		
Deductible - Individual / Family	None			\$500 / \$1,000		
Out of Pocket Maximum - Individual / Family	\$2,000 / \$4,000			See Below		
<b>Medical Services</b>						
<b>Preventive Care Services</b>						
Primary Care Visit	No Charge			\$20		
Specialist Office Visit	\$20			\$40		
Basic X-ray and Laboratory	\$40			\$40		
Complex Imaging (MRI, CT Scan, etc.)	No Charge			\$40 (X-ray) / No charge (lab)		
Inpatient Hospital	\$100			\$150		
Outpatient Hospital Surgery	\$500 / admit			20% after Deductible		
Emergency Room	\$200			20% after Deductible		
Urgent Care	\$150			\$150		
Chiropractic (Rider)	\$50			\$50		
Acupuncture (Rider)	\$15 (20 visits)			\$15 (20 visits)		
Rehab Therapy (incl. Physical Occ & Speech)	\$20 (20 visits)			\$20 (20 visits)		
	\$40			\$40		
<b>Prescription Drugs</b>						
Generic / Tier 1	\$10			\$10		
Formulary / Tier 2	\$30			\$30		
Non-Formulary / Tier 3	\$50			\$50		
Specialty / Tier 4	30% to \$250			30% to \$250		
Mail Order Copay	2x Retail			2x Retail		
<b>Monthly Rates</b>	<b>Enrollment</b>	<b>Current</b>	<b>Initial Renewal</b>	<b>Negotiated Renewal</b>	<b>Plan Option OOP Max: \$3K/\$6K</b>	<b>Plan Option OOP Max: \$3K / \$5K</b>
Employee Only	11	\$835.88	\$1,103.39	\$985.48	\$848.12	\$849.39
Employee + Spouse	1	\$2,006.16	\$2,648.20	\$2,365.22	\$2,035.55	\$2,038.60
Employee & Child(ren)	1	\$1,462.79	\$1,930.93	\$1,724.60	\$1,484.22	\$1,486.45
Employee & Family	4	\$2,549.53	\$3,365.46	\$3,005.84	\$2,586.87	\$2,590.75
<b>Monthly Total</b>	<b>17</b>	<b>\$22,862</b>	<b>\$30,178</b>	<b>\$26,953</b>	<b>\$23,197</b>	<b>\$23,231</b>
<b>Annual Total</b>		<b>\$274,341</b>	<b>\$362,139</b>	<b>\$323,442</b>	<b>\$278,359</b>	<b>\$278,776</b>
<b>Annual Change from Current - \$</b>			<b>\$87,798</b>	<b>\$49,101</b>	<b>\$4,018</b>	<b>\$4,435</b>
<b>Annual Change from Current - %</b>			<b>32.0%</b>	<b>17.9%</b>	<b>1.5%</b>	<b>1.6%</b>
<b>Next Renewal Date:</b>			<b>3/1/2025</b>		<b>3/1/2025</b>	

**Dental Insurance**

In addition to our medical plan, SIMNSA extended an offer to include a Dental DHMO plan, providing Mexican Nationals with a convenient and comprehensive option across the border. Following feedback from our staff, introducing this plan to our employees is a logical step. However, it's essential to note that United Concordia has implemented a general increase in provider contracts, resulting in a +5.0% and +7.1% rate hike on Dental HMO rates for the next two plan years.

Despite negotiating a commendable reduction of -7.7%, it's crucial to acknowledge that our Dental PPO plan lacks coverage for orthodontia. United Concordia has proposed a -1.2% (Basic DMO) and a +1.1% rate adjustment on Dental PPO rates over the next two plan years, contingent upon the addition of an orthodontia benefit at 50%, up to a \$1,500 lifetime maximum per covered individual. The table below provides a concise summary of these changes.

Plan	3/1/2024 - 2/28/2025	3/1/2025 - 2/28/2026
United Concordia HMO	+5.0%	+7.1%
SIMNSA	New	Rate guarantee (0% increase)
United Concordia PPO	-1.2%	+1.1%

Over the recent years, we have not modified carrier or cost-sharing schedules to synchronize Dental plans with the overarching Medical cost-share strategy. To adhere to the intended strategy, we must shift towards the specified cost-share structure. We propose securing a fixed rate Dental price plan for two years while gradually adjusting the cost-share over this duration to achieve the desired balance. The implementation of this cost-sharing strategy will yield the following outcomes to employee costs:

Current Cost Share		3/1/2024 - 2/28/2026 Rates (2 year rate guarantee)				Yr1	Yr 2	
ER %	EE %	Plan	Coverage Tier	Monthly Premium	SDCC Monthly Prem	EE Monthly Prem	EE Pay Period Incr	EE Pay Period Incr
100%	0%	United Concordia DHMO	Employee Only	12.60	9.45	3.15	1.58	2.40
72%	28%		Employee + Spouse/Dom Partner	25.19	16.37	8.82	4.41	8.17
72%	28%		Employee + Child(ren)	27.21	19.05	8.16	4.08	7.46
72%	28%		Employee + Family	39.81	23.89	15.92	7.96	15.32
77%	23%	United Concordia DPPO	Employee Only	35.94	18.90	17.04	8.52	9.45
72%	28%		Employee + Spouse/Dom Partner	68.55	32.75	35.80	17.90	16.37
72%	28%		Employee + Child(ren)	91.00	38.09	52.91	26.45	19.05
72%	28%		Employee + Family	123.60	47.77	75.83	37.91	23.89
New		SIMNSA	Employee Only	21.00	14.18	6.83	3.41	4.73
			Employee + Spouse/Dom Partner	34.00	24.56	9.44	4.72	8.19
			Employee + Child(ren)	46.00	28.57	17.43	8.71	9.52
			Employee + Family	55.00	35.83	19.17	9.59	11.94

### **Vision Insurance**

EyeMed provides a rate guarantee (0% increase) for the upcoming plan year.

### **Life & Disability (Employer Paid)**

Mutual of Omaha provides a rate guarantee for this employer-paid plan until March 1, 2026. However, The Hartford Group is offering to (a) increase the age at which benefits reduce from 65 to 70, so that our employees who are between 65 and 70 can receive the full employer-sponsored benefit until that age and (b) provide a three-year rate guarantee until March 1, 2027 (0% increase).

### **Voluntary Life & Disability (Employee Paid)**

Mutual of Omaha (MOO) provides a rate guarantee for this employee-paid plan until March 1, 2026. However, The Hartford Group is offering to (a) increase the Guaranteed Issue amount from \$240,000 to \$300,000, meaning employees who are currently capped at \$240,000 could get up to an additional \$60,000 without evidence of insurability (this is a health questionnaire that helps an insurance carrier determine whether an employee qualifies for new coverage) needed, (b) increase the age at which benefits reduce from 65 to 70, so that our employees who are between 65 and 70 can receive the full employer-sponsored benefit until that age and (c) provide a three-year rate guarantee until March 1, 2027 (0% increase).

### **Long-Term Disability (Employer Paid)**

Mutual of Omaha (MOO) provides a rate guarantee for this employer-paid plan until March 1, 2026. However, The Hartford Group is offering to (a) reduce our renewal rates by 33% and (b) provide a three-year rate guarantee until March 1, 2027 (0% increase). The benefits of The Hartford Group plan mirror those of the MOO plan.

### **Voluntary Accident (Employee Paid)**

Aflac currently provides a rate guarantee for this employee-paid plan until February 29, 2025. However, The Hartford Group is offering to (a) reduce our renewal rates by an average of 27%, (b) improve benefit coverage (i.e., hospital admission by \$1,000, ground ambulance by \$700 and x-ray by \$150), (c) provide a three-year rate guarantee until March 1, 2027 (0% increase) and (d) provide a technology fund of 2.5% of the total sold premium, estimated to be \$3,500. While The Hartford Group improves our benefit coverage in nine areas as compared to Aflac, there is a \$50 drop-off in the initial urgent care visit.

**Voluntary Critical Illness (Employee Paid)**

Aflac currently provides a rate guarantee for this employee-paid plan until February 29, 2024. However, The Hartford Group is offering to (a) reduce our renewal rates by an average of 40%, (b) provide no pre-existing condition limitation, (c) improve the benefit payment for coronary artery disease (major repair) by 50% and (d) provide a three-year rate guarantee until March 1, 2027. The only drawback is that The Hartford Group offers up to \$20,000 while Aflac offers to \$30,000 in coverage.

**Flexible Spending Accounts (Employee Paid)**

Igoe is the administrator of the Flexible and Dependent Spending Accounts and coverage is paid by Marsh & McLennan Agency LLC Company for this plan year.

**Recommendation**

Authorize the addition of the Aetna deductible plans, and the SIMNSA dental plan, allowing The Hartford Group to take over the life, disability, long-term disability, accident, and critical illness lines of coverage and the renewal of the existing lines of coverage. The corporation will leverage the premium credit to mitigate costs and allocate funds towards wellness activities. Overall, coverage cost for the Plan Year 2024-2025 is projected to incur a net increase of approximately 27%, equating to an additional \$300,000 compared to the current year's coverage amounts. There is no budgetary increase projected as the corporation had already earmarked \$1.5 million for health and wellness costs in FY2024 with a modest savings anticipated.



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Mardeen Mattix  
Chief Financial Officer





**CONTACT:** **Andy Mikschl**, *Executive Vice President, Sales, San Diego Convention Center*  
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 619.525.5282

**SHORT TERM BOOKING ACTIVITY**

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

	FY24 NOVEMBER 23	FY23 NOVEMBER 22	CUMULATIVE FYTD 2024	CUMULATIVE FYTD 2023
<b>DEFINITE</b>	EVENTS	0	17	22
	ATTENDANCE	0	146,525	56,014
	ROOM NIGHTS	0	13,007	6,435
	RENTAL REVENUE	0	\$856,830	\$561,780

**FY24 PERCENT TO GOAL**

*Convention Center Rental Revenue*

	GOAL	YTD	PERCENT TO GOAL
CONTRACTED RENTAL REVENUE	\$1,500,000	\$856,830	57%

## San Diego Convention Center Short Term Sales November2023 Sales Activity Report

### CONTRACTED SHORT TERM EVENTS/ FY24 YTD

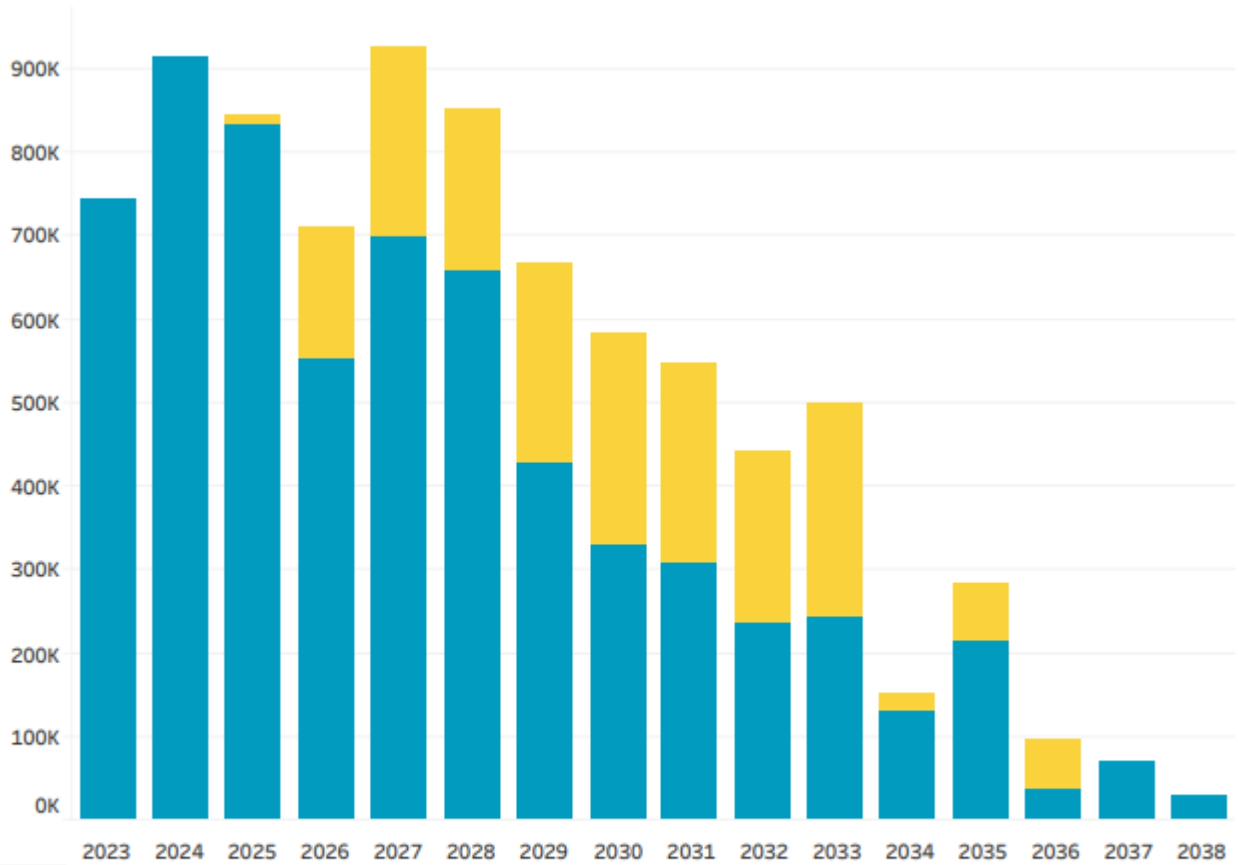
EVENT NAME	EVENT DATES	PROJECTED ATTENDANCE	PEAK ROOMS	ROOM NIGHTS	RENTAL
IEEE PES Grid Edge 2025	01/19/25	2,500	850	3,125	\$103,500
IWRP Industry Day 2024	06/24/24	300	0	0	\$9,300
The ASU + GSV Air Show 2024	04/12/24	5,000	0	0	\$65,700
X-STEM Workshops San Diego 2024	09/12/24	900	0	0	\$6,000
Brick Fest Live San Diego 2024	08/22/24	8,000	0	0	\$36,200
National Provider Enrollment Conference 2024	08/27/24	975	35	175	\$15,000
Social Media Marketing World 2025	03/29/25	2,500	400	1,200	\$55,800
Navy Gold Coast Small Business Opportunity Conference	08/18/24	2,000	0	0	\$77,800
San Diego International Auto Show 2023	12/29/23	100,000	200	800	\$194,400
West Coast Conference Cheer & Dance 2023	10/29/23	2,500	0	0	\$10,400
AGWest Board Meeting & LAC Orientation	02/07/24	100	350	800	\$6,600
LSX RNA Leaders USA Congress 2024	09/04/24	600	150	300	\$20,790
Sharp Healthcare All-Staff Assembly	11/19/24	12,000	0	0	\$76,250
JOGS San Diego Gem & Jewelry Show	10/28/24	2,000	80	312	\$66,640
The IR Show Winter 2025	01/22/25	750	250	750	\$49,800
San Diego Home Fall Show 2024	08/24/24	5,000	0	0	\$15,400
Proofpoint Sales Kickoff 2024	01/15/24	1,400	1,400	5,545	\$47,250
<b>TOTAL</b>		<b>146,525</b>		<b>13,007</b>	<b>\$856,830</b>



**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	49	45	35	30	25	19	12	13	8	8	3	6	1	3	1
Definite Rooms Nights	747K	914K	836K	555K	700K	659K	429K	330K	309K	236K	244K	132K	215K	36K	71K	30K
Tentative Rooms Otb			8K	155K	227K	192K	240K	253K	240K	205K	256K	20K	69K	59K		

**NOTE:**

- 2023 Definite Total Room Night Changes: +2,774 in definite group room block adjustments.
- 2024 Definite Total Room Night Changes: -11,093 in definite group room block adjustments primarily attributed to RIMS citywide reducing their pre and post shoulder nights.
- 2025 Definite Total Room Night Changes: +9,013 in definite group room block adjustments driven by a definite February confidential corporate citywide increasing their contracted room blocks.
- 2026 Definite Total Room Night Changes: +1,591 in definite group room block adjustments.
- 2027 Definite Total Room Night Changes: No change
- 2028 Definite Total Room Night Changes: No change
- 2029 Definite Total Room Night Changes: No change
- 2030 Definite Total Room Night Changes: -19,520 in definite group room block adjustments driven by ASTRO definite citywide room block adjustments based on 2023 San Diego performance.



## Agenda Item 4.E.2



# 2024 SAN DIEGO CONVENTION CENTER CORPORATION COMMITTEE APPOINTMENTS/LIAISONS

## AUDIT

(4 QTRLY/SCHEDULED AS NEEDED)

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

Alyssa Turowski – Chair

Will Rodriguez-Kennedy

New Director (1)

Staff Liaison: Chief Financial Officer

## EXECUTIVE COMMITTEE (MONTHLY MEETINGS SCHEDULED TENTATIVELY)

Jeff Gattas -Chair

Shawn VanDiver, Vice Chair

Will Rodriguez-Kennedy, Treasurer

Alyssa Turowski – Secretary

Carlos Cota, Immediate Past Chair

Staff Liaison: President & CEO

## BUDGET (11 MONTHLY MEETINGS)

Reviews and approves the Corporation's Budget

Will Rodriguez-Kennedy – Chair

Jaymie Bradford

Carlos Cota [or New Director (2)]

Staff Liaison: Chief Financial Officer

## SALES & MARKETING COMMITTEE

(7 MEETINGS A YEAR)

Review strategies for Convention Center sales and marketing

Shawn VanDiver – Chair

Alyssa Turowski

Jaymie Bradford

Staff Liaison: President & CEO

## DEFINED CONTRIBUTION COMMITTEE

(4 QTRLY/SCHEDULED AS NEEDED)

New Director #1

Staff Liaison: Chief Financial Officer