

**SAN DIEGO CONVENTION CENTER CORPORATION  
AUDIT COMMITTEE MEETING  
OF THE BOARD OF DIRECTORS**

**Director Alyssa Turowski, Chair  
Director Jaymie Bradford  
Director Sam Nejabat**

**WEDNESDAY, MARCH 13, 2024, NOON  
111 W. Harbor Drive, 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: Alyssa Turowski, Chair**
2. **Non-Agenda Public Comment:**

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 have not previously been before the Board. Pursuant to the Brown Act, no discussion or action shall be taken by the Board on items not posted on the agenda.
3. **Approve Minutes of October 18, 2023, Audit Committee Meeting**
4. **Chair's Report**
5. **Discussion Item(s):**
  - A. **Engagement Letter re: MPPP Audit**
  - B. **Update on Contract Renewal for Financial Statement Auditors**
  - C. **Audit Charter – Roles/Expectations of Committee**
  - D. **Review Audit Committee Workflow Schedule**
  - E. **Review Insurance Threshold Limits**
6. **Staff Updates:**
  - A. **Management Update – Rip Rippetoe**
  - B. **CFO/Finance Update – Mardeen Mattix**
    - (1) **Review of Year- to-Date Financial Variances**

## C. Human Resources Executive Director Update – Michael Milligan

### (1) SDCCC Fraud/Complaints Update

7. **Urgent non-agenda items** (must meet the requirements of Government Code, Section 54954.2)
8. **Audit Committee Comment** [Govt. Code §54954.2(a)(2)]

## Adjournment

This information is available in alternative formats upon request. To request an agenda in an alternative format, or to request a sign language or oral interpreter, or an Assistive Listening Device ("ALD") for the meeting, please call Pat Evans at (619) 525-5131 at least five 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 at the corporation's offices at 111 West Harbor Drive, San Diego, CA. 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 pick up 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**

**MINUTES**

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

**WEDNESDAY, OCTOBER 18, 2023, 10:00 A.M.  
111 W. Harbor Drive, 2<sup>nd</sup> Floor, Executive Boardroom  
San Diego, California 92101**

**Director Will Rodriguez-Kennedy, Chair  
Director Jaymie Bradford  
Director Alyssa Turowski**

**BOARD MEMBERS PRESENT:** Chair Will Rodriguez-Kennedy and Directors Jaymie Bradford and Alyssa Turowski  
**BOARD MEMBERS ABSENT:**

**STAFF PRESENT:** Rip Rippetoe, Mardeen Mattix, Michael Milligan, and Pat Evans (Recorder)

**ALSO PRESENT:** Marlon Williams, and Miyuki Freeman, Macias, Gini & O’Connell representatives

**1. Call to Order:**

Chair Will Rodriguez-Kennedy called the meeting to order at 10:13 a.m. in the Executive Conference Room of the San Diego Convention Center Corporation, 111 West Harbor Drive, San Diego, California.

Chair Rodriguez-Kennedy announced that since this meeting is being conducted on site with an open telephone line to the public, the first action is to perform a roll call to determine which Board members are present on this call.

Director Rodriguez-Kennedy - Present  
Director Bradford- Present  
Director Turowski – Present

Chair Rodriguez-Kennedy noted that all the Committee members were present, and all votes taken at today’s meeting will be recorded via roll-call vote.

2. **Non-Agenda Public Comment** – Chair Rodriguez-Kennedy requested public comment regarding any non-agenda items. Hearing none, the meeting proceeded.

3. **Approve minutes of Audit Committee Meeting of June 21, 2023.**

Chair Rodriguez-Kennedy inquired if any member of the public wished to comment on Agenda Item 3. No members of the public responded to the request for comment.

**Directors Bradford and Turowski moved and seconded, respectively, to approve the minutes of the meeting of June 21, 2023.**

**Director Rodriguez-Kennedy – Aye**

**Director Bradford – Aye**

**Director Turowski - Aye**

**Vote unanimous.**

**AYES: 3**

**NAYS: 0**

**ABSTENTIONS: 0**

4. **Chairs Report:** None

5. **Action Item(s):**

**(A) Recommendation to Authorize Acceptance of Audited Financial Report for the Fiscal Year Ended June 30, 2023**

Chair Rodriguez-Kennedy called for a staff report regarding this item. After staff submitted its report, Chair Rodriguez-Kennedy inquired if any member of the public wished to comment on Agenda Item (5.A). No members of the public responded to the request for comment.

**After presentations by Staff, Directors Turowski and Bradford moved and seconded, respectively, to recommend Authorizing Acceptance of Audited Financial Report for the Fiscal Year Ended June 30, 2023 .**

**Director Rodriguez-Kennedy – Aye**

**Director Bradford – Aye**

**Director Turowski – Aye**

**Vote unanimous.**

**AYES: 3**

**NAYS: 0**

**ABSTENTIONS: 0**

## 6. Staff Updates:

### A. Management Update

- Mr. Rippetoe thanked the accounting team for successfully completing the audited Annual Financial Reports.
- The International Association of Chiefs of Police event just finished in San Diego and their event attendance was equal to or higher than it has been during their record years.
- The center is continuing to see positive trends in terms of overall event attendance and economic impact for the region which, in turn, is translating into good financials for the Corporation.
- From an audit perspective, if there is not another big global issue that impacts the convention industry, SDCCC will continue to lead the industry and our competitive set, in terms of business recovery.
- The adjustments the Corporation made to its business model are working and we are seeing the fruits of those efforts economically within the community and in our own financials.

### B. CFO/Finance Update– Ms. Mattix reported:

#### (1) Review of Year- to-Date Financial Variances

CFO Mattix reported on the Corporation's September financial performance:

- Through September, staff finalized internal financial statements and it is interesting to see some of the changes made, especially last year, finally coming to fruition.
- The audit showed the difference in food and beverage revenues. Although it is unfair to compare 2022 to 2023, if you compare 2023 to 2019, you would be able to see how our revised event booking decisions have benefitted the Corporation.
- The Corporation budgeted very tightly this year because we're trying to manage our revenues and expenses to our investment in capital assets more effectively.
- We reviewed the Corporation's overall financials and took a different budgeting approach as well as a different sales approach. Revenues are actually approximately \$500,000 under budget.
- Our budget usually includes projections that the short-term sales teams will fill in open event spaces, but because we have been so selective and intentional about not booking events unless it is a particularly good piece of business, the building now has more open periods available for additional repair and maintenance. That also explains why the Corporation's revenues are under budget. The Corporation is also offsetting less revenue by using less part-time labor.
- We are currently behind in performing repair and maintenance, but we expect to catch up in November and December when we have more time available.

- We have also been using part-time labor differently. Instead of servicing smaller events, we have been using part-timers to try to help alleviate the burden of full-time overworked positions.
- We are in a positive net position mostly because we need to catch up on some of those repair and maintenance items. We are at a wash year-to-date.
- We have invested between \$600,000 and \$1 million in capital assets already this fiscal year, which came out of reserves. We have also paid our I-Bank debt.
- The Corporation had approximately \$29 million in reserves at the end of June, which has been reduced to approximately \$27 million.
- Ms. Mattix also discussed the newly proposed multi-tier staffing philosophy.

**C. H.R. Executive Director Update – Michael Milligan**

**(1) SDCCC Fraud/Complaint Update**

- Mr. Milligan reported that the Corporation has had no activity since the last meeting.

After staff submitted their reports, Chair Rodriguez-Kennedy inquired if any member of the public wished to comment on Agenda Item (6.A), (6.B), or (6.C). No members of the public responded to the request for comment.

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

There being no further business, the meeting adjourned at 10:47 a.m.

**CERTIFICATION**

I, Alyssa Turowski, Chair of the Audit Committee of the Board of Directors of 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 Audit Committee of the Board of Directors of the San Diego Convention Center Corporation, Inc. at a duly noticed meeting held on October 18, 2023.

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Alyssa Turowski, Chair