

Agenda Item 5.a

MINUTES

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

BOARD MEETING OF APRIL 17, 2009

BOARD MEMBERS PRESENT: Chair Chris Cramer, Vice-Chair Bob Nelson and Directors Bryan Min, Nikki Clay, Victoria Hobbs and Duke Sobek

BOARD MEMBERS ABSENT: Directors Cheryl Kendrick and Alexis Gutierrez

STAFF PRESENT: Carol Wallace, Bea Kemp, Brad Gessner, Mark Emch, Steven Johnson, John Vingas, Nancy Murgillo and Pat Evans (Recorder)

ALSO PRESENT: Don Telford and Theresa McAteer, Esq.

1. CALL TO ORDER

Chair Chris Cramer called the meeting to order at 9:05 a.m. in the Executive Boardroom of the San Diego Convention Center Corporation, San Diego, California.

2. COMMENTS FROM THE AUDIENCE – None

3. PRESENTATIONS

a. Employees of the Month

Robert Shackelford, Building Services Worker (March) was presented by Sara Zetts, Facilities Services Manager

Lu Ann Miller, Convention Staffing Services Supervisor (April) was presented by DeeAnn Snyder, Convention Services Director

4. Action Items

a. Approval of minutes of Board Meeting of January 30, 2009

Directors Nelson and Min moved and seconded, respectively, approval of minutes of the January 20, 2009 Board Meeting. Vote:

AYES: 3

NAYS: 0

ABSTENTIONS: 1

b. Approval of minutes of Special Board Meeting of February 17, 2009

Directors Nelson and Clay moved and seconded, respectively, approval of minutes of the February 17, 2009 Special Board Meeting, as amended. Vote:

AYES: 4

NAYS: 0

c. Approval of Amendment to Legal Services Policy 516.

Beatrice Kemp, General Counsel, presented a memorandum which set forth proposed revisions to the Corporation's Legal Services Policy (516) and a red-lined draft of the revisions. After discussion regarding the content of the memorandum, the Board decided to postpone further action on the item until the next Board meeting. In the meantime, Directors would seek content clarification from Director Gutierrez, who assisted with the initial draft of the memorandum.

d. Adoption of Policy on Professional Services for Multi-Phased Projects (Policy 303)

During the process of soliciting proposals for various professional services required for the preliminary phase of a potential Convention Center expansion, an inquiry arose regarding whether a consultant could provide services during more than one phase of the project. It became apparent that a corporate policy was required to address that issue. After considerable research on the law and the policies of similar entities found no legal prohibition against such consultant use, it was determined that the Corporation would benefit from a policy that permitted it to use the services of a consultant at various stages of a multi-phased project but also ensured fair competition in the solicitation process. General Counsel, Beatrice Kemp, submitted a memorandum to the Board that explained the proposed policy along with a draft of the policy. The policy was previously reviewed by the Audit Committee which recommended approval.

During review of the policy by the full Board, a Director requested the insertion of additional language into the third sentence of the first paragraph so the sentence would read:

The policy also is intended to ensure that no consultant *or a prospective vendor* enjoys a competitive advantage by virtue of prior work on the project and that SDCCC does not suffer a consequential competitive disadvantage.

During discussion regarding the impact of the policy on the proposed expansion process, another Director expressed concerns regarding enactment of the policy, indicating they believed the policy was unnecessary. Other Directors indicated a preference for having a policy in place that could be used as a procurement guideline.

Directors Clay and Nelson moved and seconded, respectively, to approve the adoption of Policy 303 - Policy on Professional Services for Multi-Phased Projects. Vote:

AYES: 3

NAYS: 1

e. Approval of Corporate Policy 518 re: Election of Officers and Committee Appointments and Policy 519 re: Parliamentary Procedure

Beatrice Kemp, General Counsel, presented a memorandum regarding two "housekeeping" policies. Policy 518 clarified that January 1 of the year following December elections shall be the commencement date of terms of office for Board Members and committee appointments. Policy 519 designated Robert's Rules of Order as the guide for parliamentary procedure for the Corporation's Board Meetings. Both policies were previously reviewed by the Audit Committee and were recommended for approval.

Directors Clay and Min moved and seconded, respectively, that Corporate Policy No. 518 re: Election of Officers and Committee Appointments be approved. Vote:

AYES: 4

NAYS: 0

Directors Min and Clay moved and seconded, respectively, that Corporate Policy No. 519 re: Parliamentary Procedure be approved. Vote:

AYES: 4

NAYS: 0

f. Appointment of General Counsel.

Pursuant to the Corporation's Policy on Legal Services, the General Counsel is appointed by the Board of Directors. The current General Counsel's tenure will end on June 30, 2009. The Executive Committee recommends appointment of the law firm McAteer and McAteer, specifically Theresa McAteer, to serve as General Counsel effective July 1, 2009.

Directors Nelson and Clay moved and seconded, respectively, to appoint the firm of McAteer & McAteer as the Corporation's General Counsel. Said firm shall be retained immediately to commence transition work with the current General Counsel. Vote:

AYES: 4

NAYS: 0

g. Authorization to Place Property, General & Umbrella Liability, Workers' Compensation, and Directors & Officers Insurance Through the Brokerage Services of Marsh & McLennan Companies, Inc.

The Corporation's Property, General & Umbrella Liability, Workers' Compensation, and Director's & Officers insurance policies expire on April 30, 2009. Mark Emch, VP Finance, submitted a memorandum for review which outlined the Request for Qualification (RFQ) and Request for Proposal (RFP) process which resulted in the selection of the Marsh & McLennan Companies, Inc. as the proposed broker for insurance services for the Corporation. Mr. Emch's memorandum also compared past and current premiums and levels of coverage for all policies. The Audit Committee reviewed details of staff's 2009/2010 Policy Year renewal recommendation at its April meeting and recommended approval by the full Board.

Directors Nelson and Min moved and seconded, respectively, authorizing placement of Property, General & Umbrella Liability, Workers' Compensation, and Directors & Officers Insurance Through the Brokerage Services of Marsh & McLennan Companies, Inc. Vote:

AYES: 4

NAYS: 0

h. Authorization to Award a Contract to Turner Construction for Caulk Removal & Replacement of Sails Pavilion Structural Expansion Joints.

Carol Wallace, President & CEO, submitted a memorandum which detailed the Corporation's need to replace caulking of the structural expansion joints on the floor of the Sails Pavilion. The caulking, originally installed at construction, has been damaged by intense activity in the room and needs to be replaced for safety reasons. The memorandum further outlined the Request for Quote (RFQ) process which led to the eventual selection of Turner Construction to perform the caulking replacement. Turner was selected based on competitive pricing and past excellent job performance. Staff recommends that Turner Construction be awarded a Purchase Order in an amount not to exceed \$42,500 for the caulk removal and replacement for the Sails Pavilion structural expansion joints.

Directors Clay and Min moved and seconded, respectively, to award a Purchase Order to Turner Construction in an amount not to exceed \$42,500 for caulk removal and replacement in Sails Pavilion structural expansion joints. Vote:

AYES: 4

NAYS: 0

i. Authorization to Purchase E-mail Archiving and Electronic Discovery System.

Carol Wallace, President & CEO, submitted a memorandum which detailed the Corporation's need to upgrade its e-mail archiving system. The Corporation's current technology does not offer in-depth search for e-mail subject matters and inhibits timely response to litigation discovery and regulatory laws such as Public Records Act Requests. Staff researched technology solutions and determined that

Symantec Enterprise Vault was the best e-mail archiving platform to meet the Corporation's needs. Staff obtained quotes from three Symantec suppliers and found that Technology Integration Group (TIG) was able to provide the required software and services at the most competitive price - \$42,611.00. Staff recommends that Technology Integration Group be awarded a Purchase Order in an amount not to exceed \$42,611 for the Symantec Enterprise Vault e-mail archiving and discovery software, implementation services and a sever to host the software.

Directors Min and Nelson moved and seconded, respectively, to award a Purchase Order to Technology Integration Group (TIG) in an amount not to exceed \$42,611 for the Symantec Enterprise Vault e-mail archiving and discovery software, implementation services and a sever to host the software. Vote:

AYES: 4

NAYS: 0

j. Approval of Strategic Retreat Summary Report.

In February 2009, the Board and Senior Staff attended a joint strategic planning retreat to review the Corporation's progress on the FY 2009 strategic plan and develop the FY 2010 plan. After review and discussion, the Board identified changes and additions for the FY 2010 plan that were incorporated into a Strategic Retreat Summary Report. The Report was presented for Board review. Carol Wallace, President & CEO, submitted a memorandum that explained the process by which the Corporation's FY 2010 Goals & Objectives were developed based on the Strategic Retreat Summary Report and requested that the Board approve the Report.

Directors Clay and Min moved and seconded, respectively, to approve the Strategic Retreat Summary Report. Vote:

AYES: 4

NAYS: 0

6. REPORTS

a. San Diego Theatres

Don Telford reported on the following:

- SDT adopted new Corporate Policies.
- SDT's Board authorized execution of collective bargaining agreements with SEIU and IASTE, Local 122. They are awaiting ratification by the union members.
- Although there was a cancellation by the California Ballet, the Civic Theatre had a good month presenting productions of *Grease*, *Rent* and two San Diego Opera performances.
- Tickets for *Wicked* will go on sale this month for a five-week run and the performance of *Rain* are almost sold out.

- American Educators Research hosted event at the Balboa in conjunction with their convention at the Center.
- The City Council has authorized the build-out of the fourth-floor event space at the Balboa.

CLOSED SESSION – At 10:25 a.m., the meeting entered into closed session to discuss:

(1) Conference with Real Property Negotiator [Govt. Code § 54956.8]

Property: Approximately 221, 000 square feet of tideland area leased to Fifth Avenue Landing, LLC; approximately 86,000 square feet of land comprising the northerly portion of the tideland area leased to One Park Boulevard, LLC; and the adjacent District-owned roadway, all bayward of the San Diego Convention Center.

Negotiating Parties: Carol Wallace, President & CEO
San Diego Convention Center Corporation

Unified Port of San Diego

Under Negotiation: Instruction to Negotiator will concern price and terms of payment.

(2) Conference with Legal Counsel – Existing Litigation [Govt. Code § 54956.9(8)]

United National Maintenance, Inc. V. SDCCC – Case No. 07-CV-2172 BEN
U.S. District Court, Southern District, California

Spinnaker Waterfront Hotel, LLC v. San Diego Convention Center Corporation,
Case No. 37-2008-00096900-CU-WM-CTL, San Diego Superior Court

(3) Conference with Real Property Negotiator [Govt. Code § 54956.8]

Property: APN# is 760-017-35

Negotiating Parties: Carol Wallace, President & CEO
San Diego Convention Center Corporation

Kipland Howard, Hilton Representative

Under Negotiation: Instruction to Negotiator will concern price and terms of payment.

(4) Conference with Legal Counsel – Anticipated Litigation [Govt. Code §54956.9(b)]

Significant exposure to litigation - One (1) case

Disclosure [Govt. Code § 54957.7(b)] - None

There being no disclosure, the meeting resumed open session and continued Committee Reports.

- b. **OSP Committee** - Committee Chair Nelson had no additional information to report.
- c. **Audit Committee** - Aside from the recommendations regarding the current "Action Items," Committee Chair Clay had no additional information to report.
- d. **Sales & Marketing Committee** – Committee Chair Sobek had no information to report.
- e. **Pension Committee** – Committee Chair Min reported that the Committee had received its quarterly pension update from Wells Fargo.
- f. **President's Report**
Carol Wallace reported the following:
 - Ms. Wallace would have an initial meeting with the Performance Auditors on April 28, 2009 and the auditors would be on site from April 28th through May 22, 2009.
 - SDT will not be a part of the Audit.
 - SDCCC will receive a draft after the audit is complete and will have an opportunity to comment on the draft.
 - The final Audit will go to the City's Auditor, the Mayor and the City Council.
- g. **Chair's Report**
Chair Cramer reported the following:
 - Chair Cramer thanked the OSP Committee for Retreat Planning and also thanked Cheryl Kendrick and Bob Nelson for their participation on the Mayor's Convention Center Task Force;
 - The City has not chosen a new Board Member for SDCCC.
 - There will be a ten percent (10%) decrease in the City's contribution to SDCCC's budget with the new contribution will be approximately 3.9 million.
 - Chair Cramer would like to host a summer event at his home and would like Board Members to consult their calendars for available dates.

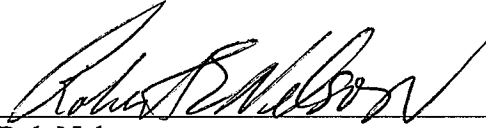
7. **DIRECTORS' COMMENTS** – None

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 12:25 a.m.

CERTIFICATION

I, Bob Nelson, Vice-Chair 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 Board of Directors of the San Diego Convention Center Corporation, Inc. at a duly noticed meeting held on April 17, 2009 and that said minutes were approved by the Board of Directors on June 17, 2009.

A handwritten signature in black ink, appearing to read "Bob Nelson", written over a horizontal line.

Bob Nelson
Vice-Chair