

SAN DIEGO TOURISM MARKETING DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
Telephonic Meeting
Friday, March 20, 2020
9:00 a.m.

MINUTES

CALL TO ORDER:

Chair Bartell called the meeting to order at 9:01 a.m.

Board members present: Richard Bartell, Terry Brown, Ilsa Butler, Steve Cowan, Tim Herrmann, Summer Shoemaker, Alyssa Turowski, and Vikram Sood.

Board members absent: None.

Also in attendance: Colleen Anderson, Executive Director; Jere Batten and Zoraida Singley, Batten Accountancy; Grant Wright, (W)right On Communications; and John Lambeth, Attorney.

INTRODUCTIONS:

John Lambeth reported that members of the public are welcome to address the Board on items on the agenda and items not on the agenda. Mr. Lambeth stated that Directors are discouraged from speaking with applicants and must disclose any communications they have had with an applicant. Mr. Lambeth also informed the Board of the rules associated with recusal.

PUBLIC COMMENT ON ALL ITEMS:

None.

INFORMATION ITEMS:

None.

ACTION ITEMS:

- 1) Approval of Minutes: The March 6, 2020 meeting minutes were reviewed, discussed, and considered for approval by the Board.

Ms. Butler moved to approve the minutes. Mr. Brown seconded the motion. Yes 8, No 0, Abstain 0.

- 2) Bylaw Amendment – Board Telephonic Meetings: Chair Bartell gave background on this item. Mr. Lambeth discussed the necessity for having clear rules for telephonic meetings in the bylaws. He proposes to amend the bylaws to align the Board with the new executive orders and to stay in compliance with the Brown Act.

Ms. Turowski moved to approve the bylaw amendments. Ms. Butler seconded the motion. Yes 8, No 0, Abstain 0.

- 3) Electronic Banking Policy: Ms. Batten gave background on the electronic banking policy proposal. Ms. Anderson stated that the intent is that this will be put into place for the short term.

Mr. Cowan moved to approve the staff proposal. Ms. Shoemaker seconded the motion. Yes 8, No 0, Abstain 0.

- 4) Emergency Check Signing Policy: Chair Bartell gave background on this item. In this time of emergency, he discussed allowing one officer to sign checks, rather than two officers.

Ms. Butler moved to approve the emergency check signing policy during the pandemic. Mr. Sood seconded the motion. Yes 8, No 0, Abstain 0.

- 5) SDTMD Revenue Forecast: Chair Bartell gave background on the FY 2020 projections. Ms. Batten talked about the projections for March, April and May. Mr. Herrmann said Grand Hyatt will close on Sunday, in addition to several other closures. Mr. Cowan said Hilton Bayfront is considering closing. Mr. Terzi stated that the Heart Rhythm group would likely cancel.

Mr. Cowan moved to approve the FY 2020 revenue forecast. Mr. Brown seconded the motion.

Further discussion commenced regarding the projections. Mr. Brown left the meeting. Mr. Terzi and Kerri Kapich from SDTA discussed February data and proposed new projections.

Mr. Cowan withdrew his earlier motion. Mr. Cowan moved to approve the revised FY 2020 revenue forecast. Mr. Herrmann seconded the motion. Yes 7, No 0, Abstain 0.

Chair Bartell explained background on the FY 2021 projections. Ms. Anderson discussed FY 2021 new revenue projections. Ms. Batten discussed the schedule to make these projections. Mr. Sood said the projections look good. Ms. Butler agreed. Mr. Cowan also agreed. Mr. Herrmann left the meeting.

Mrs. Shoemaker moved to approve the FY 2021 revenue forecast. Mrs. Turowski seconded the motion. Yes 6, No 0, Abstain 0.

- 6) FY 2020 SDTMD Event Cancellations: Chair Bartell gave background on this item. Mr. Lambeth explained the cancellation policy language in the vendor agreements. He mentioned the catastrophe section includes pandemics. The agreements allow for the TMD to reduce or eliminate funding based on this section. Chair Bartell asked about money already spent. Mr. Lambeth talked about reimbursements. Ms. Anderson made contact with all vendors on Friday, March 13th.

Mr. Brown rejoined the meeting.

Ms. Anderson went through cancellation list and monetary amounts not spent.

Ms. Butler motioned to reduce or eliminate the funding for FY 2020 events cancelled that have not already incurred reimbursable expenses, as proposed by staff. Mr. Cowan seconded the motion. Yes 7, No 0, Abstain 0

- 7) FY 2020 SDTMD Budget Revisions: Ms. Batten reported out on expenditures and reviewed the budget.

Mr. Brown moved to approve transfer of unused milestone funds (\$184,000) to distributable funds. Mr. Sood seconded the motion. Yes 7, No 0, Abstain 0.

- 8) Release of Litigation Reserve: Chair Bartell discussed the deficit in FY 2020 funds and the deficit in FY2021 funds. Ms. Batten discussed the current deficit that needs to be covered by litigation reserve. She proposed to release \$1,000,000 from the 3rd district to distributable funds in the Opportunity/Catastrophe reserve.

Mr. Cowan moved to approve moving \$1,000,000 from litigation reserve to distributable funds. Ms. Shoemaker seconded the motion. Yes 7, No 0, Abstain 0.

Ms. Shoemaker asked about the release of the remainder of the litigation reserve. Ms. Batten mentioned pulling money from the 2nd district of litigation reserve is unnecessary at this time. Mr. Terzi said they are approaching expenditures in a conservative manner. Mr. Cowan asked about current balance of Opportunity/Catastrophe. Ms. Batten responded that the balance is \$2,731,596. Mr. Terzi said that SDTA does not have any reserves and that the TMD should use the remainder of the litigation reserve as further protection for the TMD and the City.

Chair Bartell moved to approve moving an additional \$2,967,680 from litigation reserve to distributable funds. Chair Bartell rescinded his motion. No further action was taken.

- 9) FY 2021 Funding Allocations: Chair Bartell provided background on the allocations. Mr. Terzi explained SDTA's position. Chair Bartell said how important it is to keep the destination's DMO, SDTA, afloat during this time.

Chair Bartell opened up the call for public comment. Sandi Hill, of California State Games said that they have cut their budget and expenses as much as possible but still have a significant need. She asked that the TMD give California State Games some funding. Mr. Brown asked about opportunities to change course in May. Ms. Kapich mentioned that SDTA has developed recovery plans. Ms. Anderson mentioned the TMD won't be going to City Council until late May. Meredith Dibden-Brown said there is some uncertainty about Council meetings and hearings. Amy Ulkutekin, Event Producer from Best Coast Beer Fest, supported the tentative Board direction to fund SDTA. Mr. Terzi mentioned that we have been through a delay like this before and it worked out.

Mr. Brown moved to rescind all future funding to applicants except SDTA. Mr. Cowan seconded the motion. Yes 7, No 0, Abstain 0.

Mr. Sood left the meeting. Mr. Brown left the meeting.

Mr. Cowan moved to approve SDTA budget of \$37,756,256. Ms. Butler seconded the motion. Yes 5, No 0, Abstain 0.

10) FY 2021 SDTMD Consolidated Budget: Ms. Batten went through budget changes and adjustments.

Ms. Turowski moved to approve FY 2021 consolidated budget. Ms. Butler seconded the motion. Yes 5, No 0, Abstain 0.

Ms. Dibden-Brown shared that there may be issues with depleting Opportunity/Catastrophe funds. Chair Bartell agreed. Ms. Kapich said SDTA could help with some guiding points for planning how funds will be spent. Ms. Anderson said that Council will still have oversight. Ms. Batten stated that a compromise would be to transfer a portion of the remaining litigation reserve, \$3,000,000, to Opportunity/Catastrophe.

Ms. Brown moved to approve releasing remaining \$3,000,000 in litigation reserve for FY 2021 to Opportunity Catastrophe. Ms. Turowski seconded the motion. Yes 5, No 0, Abstain 0.

Ms. Batten went through number updates with Ms. Anderson.

Meeting was adjourned without objection at 11:45 a.m.

Approved _____
Tim Herrmann, Secretary

Date _____