



## QUALCOMM STADIUM ADVISORY BOARD

Minutes of Regular Scheduled Meeting

Thursday, February 13, 2014  
STADIUM ADMINISTRATIVE OFFICES

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### I. CALL TO ORDER / ROLL CALL

Chairman Rudy Castruita called the meeting to order at 8:15 a.m.

#### Board Present:

Chairman	Rudy Castruita	Present
Member	John Thomson	Present
Member	Ben Clay	Present
Member	David Baron	Present
Member	Les Williamson	Present
Member	Jesse Durfee	Present
Member	Luke Pistorious	Present
Member	Albert Velasquez	Present
Member	Carol Jeffries	Present

**Staff Present:** Mike McSweeney-Stadium Manager; Vicki Summers-Payroll Specialist; Kevin Brown-CA II

**Others Present:** Mark Rapisardi - Centerplate; Bill Nelson – Ace Parking; Anthony Fernandez – Pazzo Sports; Bruce Binkowski – Bowl Association; Nick Pettit, SDSU

### II. APPROVAL OF MINUTES January 9, 2014

Approved. Unanimous.

### III. PUBLIC COMMENT

No Report.

### IV. COMMUNICATIONS

No Report.

### V. CHAIRPERSON REPORT

No report.

## **VI. BUSINESS PARTNER REPORTS**

### **A. CHARGERS**

No Report

### **B. AZTECS**

Nick Pettit reports that the Aztecs are still working out the details as to which game will feature the Sky Show. Viejas was chosen as the host arena for 8 teams during the 2<sup>nd</sup> and 3<sup>rd</sup> rounds of the NCAA regional tournament. Arizona and other big-name schools could potentially be coming to town.

### **C. HOLIDAY BOWL**

Bruce Binkowski reports that the economic impact of the Holiday Bowl on the local tourism industry was about over 30,000 hotel bookings. Big 12 agreement has concluded, and the Big 10 agreement is moving forward. As for the Poinsettia Bowl, Navy is bowl-eligible again, so 2014 looks to be a good year for both Bowl games.

Bruce commends Stadium ground crew, Mike McSweeney, Bill Gibbs and his crew for doing an “absolutely amazing job” getting the field ready for the two Bowl games plus the Chargers game. No firm dates yet for Bowl games, but they are tentatively scheduled for Tuesday, December 23<sup>rd</sup> and Tuesday, December 30<sup>th</sup>. Bowl Association is trying to relieve stress by not scheduling the games back-to-back.

As for the new contractual agreements, the format is Mountain West vs. Service Academies (Army, Navy), provided they are bowl-eligible. Down the road, the Bowl Association is looking at BYU, the Mid-American Conference. The Poinsettia Bowl will be more of hodge-podge of teams. For the Holiday Bowl, format is 2<sup>nd</sup> pick after the playoffs out of the Pac 12, 3<sup>rd</sup> pick after the playoffs out of the Big 10. Which means if one or two teams come up, a couple of the Florida bowls get to pick, and then San Diego gets to pick. But if the NCAA Commissioner has the right to pick, and determines that a given team has been to Florida too many times, one of the better conference teams, the game could be shifted to San Diego. So, the Bowl Association will have teams like Ohio State, Penn State, Nebraska, Iowa, Wisconsin and Michigan State to choose from. From a demographic standpoint, Big Ten alumni out West (California, Arizona, Nevada) number almost 500,000. So, the economic impact of those alumni traveling to San Diego for Bowl games would be substantial.

Chairperson Rudy Castruita adds that the term “economic impact” refers to tourism and the revenue generated by filling hotels during the holiday season. He looks forward to Bruce giving a more detailed economic impact report at the next meeting.

Bruce admits that event attendance was a little off this year because of the dates. He adds that the Midway Luncheon in support of the Poinsettia Bowl is a big event. It's the only game in the U.S. with an aircraft carrier luncheon. Of ten Chargers interviewed who'd played in the Holiday Bowl, every one of them said that the Midway Luncheon was the highlight of their Bowl experience. The parade is getting bigger every year.

### **D. OMBAC**

No Report

## **E. ACE PARKING**

Ace Parking reports that they are doing equipment and inventory maintenance in the wake of Supercross. They will then gear up for the next Chargers/Aztecs season. Revenue-wise, Supercross and Monster Jam were both pretty successful events.

As for Ace Parking issues to be addressed in the coming year, preliminary talks with the Chargers indicate that directed parking is one change being contemplated. The Chargers are pushing for this. Tail-gaters taking up multiple spaces is a problem. If this change takes effect, a PR campaign will be needed to alert the public.

## **F. CENTERPLATE**

Mark Rapisardi reports that Centerplate finished the year strong, thanks in part to Supercross. He estimates approx. 175 as the City's share of revenue. As for off-season projects Centerplate is contemplating, Mark will advise the Board at the next meeting. Chairperson encourages new Board members to attend the "come and taste" event hosted by Centerplate.

## **VII. STAFF REPORT**

### **A. Stadium Manager Mike McSweeney**

1. Jani-King – the Stadium is in the process of drafting a custodial services RFP. Remedy of past performance has been minimal – grade C- or D+ for past couple of events. Their workers are being paid. Contract expires in August 2014. Likely last event for Jani-King will be U.S. Women's Soccer in April. Attendance is expected at 15,000. Firm date to be discussed at next Board meeting. Jani-King won't be needed for Jehovah's Witness event. Board member input on RFP is encouraged.
2. Staffing – A new position is in the process of being created. Stadium proposes splitting the Administrative Aide job into two different positions: (1) a dedicated Administrative Aide II to perform 100% of the administrative work; and (2) a dedicated event coordinator to work long hours, weekends and holidays.

The event coordinator would also help with ensuring timely invoicing, both payables and receivables. From a marketing perspective, the event coordinator would also be responsible for soliciting additional parking lot (automotive industry, tire companies) and practice field events to produce revenue. The Qualcomm Stadium rate card (a schedule of rents that varies by parking lot event) was revised a couple of years back specifically to take advantage of the auto industry's ability to pay higher rents while not "pricing out" the not-for-profits. Board member Ben Clay asked whether the event coordinator position was slated for this year's budget request. Mike McSweeney answered yes. However, the request has to go before the Civil Service Commission (CSC). Chairman Rudy Castruita pointed out to new board members that this is an example of how sometimes influence will have to be exerted on council members on issues where their support is needed. A board member asked Mike McSweeney whether the event coordinator position would bolster the \$2.5 million rent revenue stream line item under "Special Events". Mike McSweeney confirmed. Another board member observed that the salary cost

would be more than offset by the additional revenue. Stadium is scheduled to present its case to CSC at the March meeting. A board member offered to help “lobby” CSC on behalf of the Stadium so that this budget request does not get lost in the shuffle. The CAII position has been filled by Maria Villanueva, who will begin February 18.

3. New board member IDs to be issued for those who need them immediately after the meeting.
4. Board member questioned the truth of reports that violations and citations/arrests were higher than usually during Supercross. Mike McSweeney confirmed, citing good weather as a factor. David Baron & Co. were not present at Supercross.
5. Stadium is in discussions with Storm Water and the Regional Water Quality Board regarding trash in the San Diego River, and what Qualcomm Stadium can do on its part even if the trash is not on Stadium grounds per se. Qualcomm Stadium now has much stricter guidelines as to what substances are allowed on the asphalt and how spills may be cleaned. All clean-up costs are borne by Tenants, not by the Stadium. Since results have been hit or miss, the Stadium has begun purchasing equipment (collars and matting) and assigning staff to do the clean-up. An addendum will be attached to all future rental contracts obligating tenants to perform these clean-up duties. This is as a result of the 2009 floods due to a backup in the storm drain. The drains have now been cleaned and are in good working order. One board member mentions the need to clean out the channel to prevent future flooding. No word from Mike McSweeney on when that will happen. Homeless encampments are part of the trash problem. CalTrans has been successful with brush and weed abatement under the 15 overpass.
6. Fire Station, Engine 45 Update – Stadium is losing almost half the employee parking lot across the street to the fire station. Mike McSweeney met with Jeff Sturak and Scott Chadwick to discuss the remaining 150-200 spaces. Stadium impact is on parking revenue. Also, the remaining land is virtually useless to the stadium. Mike McSweeney is expecting input from Traffic Engineering within the next week or two about cutting a gateway that will enter and exit Friar’s road heading West. Fire Station construction expected to be complete in 2015. The quonsett hut where the current station is located will be removed.

## **VIII. BUSINESS ITEMS**

Stadium Financials & Budget Items - Mike McSweeney walked the members and other attendees through the City Council budget numbers. Full-time employee positions number 37. Department revenues total about \$16.5 million. Non-discretionary adjustments are basically “plug-ins” numbers given to the Stadium by Financial Management. They consist of pro-rated expenses for things like water bills, postage, etc. The Stadium has no control over that figure. “Expenditures by category” include personnel costs, etc. “Revenues by Category” include forfeitures and penalties, permits & licenses (catering permits, tailgate permits); “Other Revenue” includes Holiday Bowl rents, Swap Meet rental income, income from parking lot events such as Scripps. “Transfers In” represents TOT funding. The

Stadium expects TOT funding to continue growing over the years. In FY14, such funding totaled \$10 million. TOT input is crucial to balancing the Stadium budget. "Personnel Expenditures" are basically salaries based on current staffing levels. The Stadium is designated for budget purposes as a "Special Fund" as opposed to a Revenue Fund or a General Fund. On the revenue side, Mike McSweeney pointed to "Recoverable Expenses" reimbursed to the Stadium by the Aztecs for games played at Qualcomm, rent revenue from the Chargers, etc. "Other Operating Revenue" represents additional rental income. "Special Events" represents revenue earned from dirt events such as Monster Jam and SuperCross. CIP expenses were listed at \$75,000, which is not a great deal of money for an operation like Qualcomm, which is limited in repairs it can make. There is a carryover from previous fiscal years. It amounts to just over \$1 million. Given the CIP numbers, it's difficult for the Stadium to make the necessary improvements. For example, major improvements must be staged and phased from one Fiscal Year to the next. Not all of the expenses can be encumbered in any one year. The cabling project is another example. So, the Stadium is limited to making improvements "on the installment plan". To the question of whether Homeland Security grants available, Mike McSweeney said that grants are applied for based on specific projects to be undertaken. Donna Fowler is the senior Homeland Security staffer at the City Administration Building. So the Stadium attempts to stage purchases when grant funds become available. For example, the Stadium wants to purchase video surveillance equipment for additional viewpoints pointing back toward the Stadium, not just out from the Stadium. So, the Police Department has been helpful in advising the Stadium on the best way to apply for such funding. To the question of whether or not surplus revenue remains in the Stadium budget, Mike McSweeney answered "no". The money goes back to the General Fund. Revenues generated above and beyond operating expenses go back to the City. It was suggested that meetings be set up with Mayor-elect Kevin Faulconer and the City Council to discuss how the Stadium can get ahead on some of these budget/maintenance issues instead of always trying to play catch up. To the question of what amount the City contributes to the Stadium annually, Mike McSweeney answered that it was the TOT input, which totaled \$10 million in FY14.

**IX. COMMENTS BY BOARD MEMBERS**

No Comment.

**X. ADJOURNMENT**

Meeting was adjourned at 9:00 am. The next meeting will take place Thursday, March 13, 2014.