



**DISCOVER SANTA CLARA®
BOARD OF DIRECTORS
SPECIAL MEETING AGENDA**

**June 4, 2024, 12:00 p.m.
Hyatt Regency Santa Clara
5101 Great America Parkway
Santa Clara, CA 95054
Tasman Room**

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

For public comment on items on the Agenda that are within the subject matter jurisdiction of the Board.

GENERAL BUSINESS – ITEMS FOR DISCUSSION

1. Review and Discussion on Proposed CEO Incentive Plan Guidelines.

Recommendation:

- A. Approve the proposed CEO Incentive Plan Guidelines.
- B. Any other action(s) as directed by the Board of Directors.

CONVENE TO CLOSED SESSION

2. Employee Performance Evaluation Pursuant to CA Gov Code §54954.2
Title: Chief Executive Officer

REPORTS OF ACTION TAKEN IN CLOSED SESSION MATTERS

CONSENT AGENDA

Matters listed in the Consent Agenda section will be considered routine by the Board and will be enacted by one motion. There will be no separate discussion of the items on the Consent Calendar unless the discussion is requested by a member of the Board, staff, or public. If discussion is requested, that item will be removed from the section entitled Consent Agenda and will be considered under Consent Items Pulled for Discussion.

CONSENT ITEMS PULLED FOR DISCUSSION

PUBLIC PRESENTATIONS

This item is reserved for persons to address the Board on any matter not on the agenda that is within the subject matter jurisdiction of the Board. The law does not permit action on, or extended discussion of, any item not on the agenda except under special circumstances. The Board or staff

may briefly respond to statements made or questions posed and may request staff to report back at a subsequent meeting.

GENERAL ANNOUNCEMENTS

ADJOURNMENT

The next regularly scheduled meeting is on July 18, 2024.

Brown Act:

Government Code 54950 et seq ("the Brown Act") requires that a brief description of each item to be transacted or discussed be posted at least 72 hours prior to a regular meeting. Action may not be taken on items not posted on the agenda. Meeting facilities are accessible to persons with disabilities. If you require special assistance to participate in the meeting, notify Discover Santa Clara® at dscadmin@discoversantaclara.org prior to the meeting.

Notice to Public:

The public is welcomed and encouraged to participate in this meeting. Public comment (3 minutes maximum per person) on items listed on the agenda will be heard at the meeting as noted on the agenda. Public comment on items not listed on the agenda will be heard at the meeting as noted on the agenda. Comments on controversial items may be limited and large groups are encouraged to select one or two speakers to represent the opinion of the group. The order of agenda items is listed for reference and may be taken in any order deemed appropriate by the Board of Directors. The agenda provides a general description and staff recommendation; however, the Board of Directors may take action other than what is recommended.

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ATTACHMENTS



BOARD OF DIRECTORS MEETING
JUNE 4, 2024
AGENDA ITEM #1

CEO
Incentive Plan Guidelines
Rev. 06/02/2024

DRAFT

THINK BIG. LOOK FORWARD.

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ADMINISTRATIVE GUIDELINES AND OBJECTIVES

The CEO Incentive Plan will be administered under the direction and discretion of the Board of Directors or a committee of the Board of Directors. As such, any modifications to the Incentive Plan (the “Plan”), including revisions during the current Performance Period, must be proposed in writing by the CEO for review and approved by the Board of Directors.

The objectives of the CEO Incentive Plan are to create an environment that provides, motivates, and rewards:

- Collaboration with the key partners (City, OVG, Levy, SCTID Hotels),
- Achieving a high-performance score in relation to the DMO Key Performance Indicators (KPIs),
- Fostering a collaborative team environment to achieve organizational objectives, and
- Effectively Managing the DMO Operating Budget.

Incentive will never be calculated as a percentage of any other form of compensation other than the annual base salary. Eligible base salary is calculated based on weeks worked in the eligible position during the performance period.

If a plan component is based on team performance (e.g., DMO KPIs and Goals), weeks worked includes leaves of absence covered under any federal or state jurisdiction, such as the Family Medical Leave Act. If a plan component is based on individual performance (e.g., personal assigned revenue goals), weeks worked excludes all leaves of absence more than 30-days covered under any federal/state jurisdiction, such as the Family Medical Leave Act.

Eligibility for payment of an award is based upon:

- A participant’s active employment in an eligible position for a minimum of 90-days.
- The CEO must be employed with the DMO on the award payment date.
- The determination by the Board of Directors if the CEO met or exceeded the performance metrics for the Performance Period (Fiscal Year).

If any communication is made to the CEO that is inconsistent with the Plan rules described herein, the Plan rules described in this Plan document control. Participation in the Plan does not constitute assurance of continuance of the Plan. The Board of Directors reserves the right to modify or discontinue the Plan at any time, including after the conclusion of a Performance Period (Fiscal Year) and before an award payment date.

Eligibility under or participation in the Plan does not guarantee the right to an award or payment under the Plan.

Incentive Disputes and Final Decision Makers

The Incentive Plan is based upon actual achievement of approved/signed goals. At the conclusion of the Fiscal Year, the CEO will meet with the Board Chair & Co-Chair to review performance metrics and achievements. The incentive plan will be used to measure achievements based on the goals and KPIs outlined in the plan. Should the CEO have a dispute specific to goals and payout, the CEO will submit the request in writing to the Board Chair who will review the request, potentially gain insight from the full board, and provide the final and binding decision.

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PERFORMANCE METRICS AND WEIGHTING

The CEO who meets or exceeds performance goals can receive an incentive payout up to 25% of their base salary. For FY 2023/24 the following breakdown between Qualitative and Quantitative Goals has been approved by the Board of Directors. The goals, weights and criteria will be reviewed and revised by the Board of Directors on an annual basis; at the beginning of each Fiscal Year, the Board of Directors has the discretion to reallocate the percentage of applied to each goal.

GOAL TYPE	WEIGHT	CRITERIA
QUALITATIVE	70%	Tied to the four goals outlined in the approved CEO goals. Each goal equates to 25% of the Qualitative Goal portion.
QUANTITATIVE	30%	Tied to Board of Directors approved KPIs. 50% achievement enables eligibility. The overall payout will be scaled based on the total percentage achievement.

Goal Definitions

The following are standard definitions for quantitative and qualitative goals. These definitions will be referenced in finalizing quantitative and qualitative goals for the CEO.

Qualitative Goal

A qualitative goal is focused on subjective, non-measurable outcomes. It is typically related to improving the quality, experience, or perception of something, rather than achieving specific numerical targets. Qualitative goals are typically evaluated through observations, feedback, or qualitative data. A qualitative goal is focused on subjective, non-measurable outcomes.

Quantitative Goal

A quantitative goal is a type of goal that is focused on achieving specific numerical targets or measurable outcomes. It involves setting objectives that can be easily quantified and assessed through data analysis.

In the event that a qualitative goal is not met, the Board of Directors will review their assessment with the CEO and adjust the scoring of the incentive accordingly. As shown above, each of the qualitative goals are weighted equally for the current Fiscal Year.

In addition, as noted, if the KPI achievement score or Quantitative Goal score falls below 50%, the CEO will not be eligible for an incentive payout.

INCENTIVE PLAN PAYOUT SCHEDULE

The calculation of the CEO's earned incentive will be calculated based on the actual percentage for both qualitative and qualitative goals that has been achieved. For example, if the CEO achieves a total goal achievement of 85%, the CEO will receive 85% of the available incentive payout.

The targeted payment date for the award is by the end of the first quarter of the following year or as soon as practicable after the end of each Fiscal Year.

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COMPENSATION ELEMENTS & ELIGIBILITY

Compensation and Eligibility for the CEO consists of the following elements:

BASE SALARY + SALES INCENTIVE:

An incentive payout will be based on the achievement of the CEO's annual goals during the Fiscal Year. The CEO Incentive Plan will be paid after the end of the Fiscal Year and upon completion of an audit of the annual sales and organizational results. Awards are paid as a percentage of the eligible base salary at the end of the performance period, with a maximum potential of 25%.

PERFORMANCE PERIOD:

The CEO must be employed as of July 1st through June 30th (Fiscal Year) for full participation or working a minimum of 90 days in the CEO position during the performance period for a pro-rated level of eligibility. The CEO must be employed with Discover Santa Clara® at the time the incentive is paid to be eligible for the incentive payout.

Terminations

To be eligible for an award, the CEO must be actively employed with the DMO on the award payment date, unless no longer actively employed due to the participant's disability or qualified retirement, as defined below, during the Performance Period.

If the CEO voluntarily terminates her/his employment prior to the award payment date for reasons other than disability or retirement, she/he relinquishes the opportunity to receive an incentive award payment.

If CEO's employment is terminated for any reason, CEO may be paid a pro-rated portion of the annual discretionary bonus compensation, as determined solely by the Board of Directors (or a committee of the Board of Directors), for the most recently completed Fiscal Year quarter in which termination occurs.

Retirement

If the CEO is employed for a minimum of 13-weeks during the Performance Period prior to retirement, she/he may receive a pro-rated award based upon the number of weeks worked, payable on the Targeted Payment Date. To be deemed eligible for a pro-rated payout for a Performance Period in which a participant retires, the participant must meet the following criteria: five years of service and 62 years of age or 20 years of service.

Notwithstanding the foregoing, if the retiring participant is a specified employee within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), as determined in accordance with Section 409A, any amounts payable under the Plan which

constitute “deferred compensation” within the meaning of Section 409A and which are otherwise scheduled to be paid during the first six months following the participant’s retirement (other than any payments that are permitted under Section 409A to be paid within six months following termination of employment of a specified employee) shall be suspended until the six month anniversary of the participant’s retirement in compliance with 409A.

Disability

If the CEO works at least 13-weeks during the Performance Period and then terminate employment due to being deemed totally disabled, as defined by the Social Security Administration, the CEO may receive a prorated distribution of the award based upon weeks worked and payable on the Targeted Payment Date.

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