



Sent to Council

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City Manager's Office

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Debra Figone

SUBJECT: Senior Staff Changes and
Team San Jose Chief
Executive Officer

DATE: March 2, 2011

INFORMATION

To follow my prior discussions with you individually, this memorandum is to confirm that Team San Jose, the City's Aviation Director Bill Sherry and I have been developing a plan for a new role for Bill Sherry. While some details are still being finalized, we are confident enough of the benefits to both the City and Team San Jose that we are today announcing Bill Sherry will be adding two new roles to his portfolio in San Jose.

In addition to continuing as Aviation Director, he will serve as *Project Executive* for the Convention Center Expansion and Renovation Project and will serve as *Chief Executive Officer (CEO)* for Team San Jose. He will continue his role as Aviation Director at Mineta San Jose International Airport, but direct oversight of day-to-day responsibilities will be turned over to Assistant Aviation Director Kim Aguirre. Kim will use the new working title of Chief Operating Officer.

Project Executive

As *Project Executive* for the Convention Center Expansion & Renovation Project, Bill will act as the City's Owner's representative on the project, partnering with the professional Public Works team in the design, construction, cost management and schedule. In that role he will ensure the long term fiscal and physical sustainability of the Convention Center as a City asset, while acting as an advocate for the City, Hotel Owners who are funding the expansion, and the facility operator. This is the same role he played with the recently completed Airport Terminal Area Improvement Program.

Team San Jose Chief Executive Officer

As *CEO* for Team San Jose, Bill will lead all sales, marketing and communications for TSJ, helping drive economic growth by attracting conventions, meetings, cultural events and tourism to the city. Sherry also will head-up an ongoing strategic review of Team San Jose's operations and business lines. He will work closely with Team San Jose's recently named Chief Operating Officer Dave Costain, a 30-year veteran of the hospitality industry, Team San Jose's Board of Directors and Executive Team to focus on company goals and continue progress in increased communication, performance and economics.

This is an opportunity to take advantage of strong synergies between the Airport and the Convention Center operation. Both rely on strong marketing and customer service operations for

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their success, and both involve maintenance and operation of significant city assets. Bill will be able to explore opportunities to better leverage the two operations.

This innovative public-private partnership is possible because of the strong teams that are already in place at the Airport, assigned to the Convention Center expansion and renovation project, and at Team San Jose. Team San Jose has reconfigured its Board of Directors with a smaller more focused membership. With the addition of its Chief Operating Officer, Team San Jose has strengthened its management systems. At the Airport, Assistant Director of Aviation Kim Aguirre is an experienced manager who took over much of day-to-day operations at the airport during the design-build of Terminal B. She will play a similar role while Bill is sharing time between the Airport and the Convention Center. The Convention Center Expansion & Renovation Project team led by Dave Sykes, Acting Director of Public Works and Hunt/Populous has years of strong construction management experience and have demonstrated their ability to deliver projects on-time and on-budget.

Avoiding Conflicts of Interest

This is an innovative partnership. The City, Bill Sherry, and Team San Jose all recognize that real and perceived conflicts of interest issues may arise. The partnership is being designed to avoid, and if needed resolve, any such issues. Bill will be responsible for raising these issues to the City Manager and to the Team San Jose Board President to identify a mutually agreeable solution. If a mutually agreeable solution cannot be found, the City, Team San Jose and/or Bill can terminate the agreement.

Compensation

Bill Sherry's City salary of \$199,154 will be split among Airport, Capital Improvement Program, and Convention and Cultural Affairs funds. He will have a separate employment contract with Team San Jose for \$50,000, which is to be paid using non-City funds and is not pensionable. Between the three operations, the costs will be shared and expenditures for each will be reduced.

Effective Date

This is a work in progress. The transition to new roles will begin immediately but will not be finalized until the Convention Center Expansion project is approved with the funding through a successful bond sale. Key milestones in this regard are the March 15th Council hearing for the authorization of bonding financing for the Convention Center expansion and mid-April for the completion of bond sales. The City Council will be updated on this plan during the March 15th discussion on authorizing bond financing.



DEBRA FIGONE
CITY MANAGER