

**SAN DIEGO CONVENTION CENTER CORPORATION  
BUDGET COMMITTEE MEETING  
OF THE BOARD OF DIRECTORS**

**Director Jeff Gattas, Chair  
Director Carlos Cota  
Director Carol Kim  
Director Will Rodriguez-Kennedy**

**MONDAY, MARCH 14, 2022, 11:00 A.M.  
111 W. Harbor Drive, 2<sup>nd</sup> Floor, Executive Boardroom  
San Diego, California 92101**

**AGENDA**

Pursuant to Government Code section 54953(e) and Board Resolution No. 2022-02, members of the San Diego Convention Center Corporation Board and staff may participate in public meetings via teleconference or video conference. In the interest of reducing the spread of COVID-19, in-person public participation is prohibited at this time. Board meetings are held live via teleconference at the number indicated at the top of the agenda. Members of the public may participate live in the Board meeting and submit comments live on the teleconference line.

**Telephone number for members of the public  
to observe, listen, and address the meeting telephonically:  
1(888) 251-2909 – Access code is 6724115#**

1. **Call to Order** - Jeff Gattas, Chair
2. **Non-Agenda Public Comment:**  
This portion of the agenda provides an opportunity for members of the public to address the Board on items of interest within the jurisdiction of the Board that have not previously been before the Board. Pursuant to the Brown Act, no discussion or action shall be taken by the Board on items not posted on the agenda.
3. **Approval of Proposed Minutes of February 14, 2022 Budget Committee Meeting**
4. **Chair's Report**
5. **Action Item(s):**
  - A. Recommendation to Authorize Approval of Fiscal Year 2023 Budget

**B. Recommendation to Authorize Approval of FY 2023 CIP/Infrastructure and O&M Projections**

**C. Recommendation to Authorize Award of Contract for Talent Acquisition Consulting**

**D. Recommendation to Authorize Contract for Repairs to Chiller No. 1**

**6. Staff Updates:**

- **CFO**
  - **Revision to FY21 Audited Financial Statements**
- **President & CEO**

**7. Urgent non-agenda items** (must meet the requirements of Government Code, Section 54954.2)

**8. Budget Committee Comment** [Govt. Code §54954.2(a)(2)]

**Adjournment**

This information is available in alternative formats upon request. To request an agenda in an alternative format, or to request a sign language or oral interpreter, or an Assistive Listening Device ("ALD") for the meeting, please call Pat Evans at (619) 525-5131 at least five working days prior to the meeting to ensure availability.

In compliance with Government Code section 54957.5, non-exempt written material that is distributed to the Board prior to the meeting will be available at the meeting or it may be viewed in advance of the meeting at the corporation's offices at 111 West Harbor Drive, San Diego, CA. Materials distributed to the board after the posting of this agenda also will be available online at [visitsandiego.com](http://visitsandiego.com). Please contact Pat Evans at (619)525-5131 or [pat.evans@visitsandiego.com](mailto:pat.evans@visitsandiego.com) if you would like to pick up a copy of any material related to an item on this agenda.

Action items on this agenda may be consolidated for voting purposes into a single vote of the Board, to the extent they are routine or otherwise do not require further deliberation. A Board member may comment on an action item before it is voted upon as part of the consolidated vote; however, if a Board member wishes to discuss an action item, that item will not be included in the consolidated vote. If a member of the public wishes to comment upon an action item, they should so advise the Board chair at or before the public comment portion of the meeting, in which case that item will not be included in any consolidated vote.

## Agenda Item 3

### MINUTES

#### SAN DIEGO CONVENTION CENTER CORPORATION BUDGET COMMITTEE OF THE BOARD OF DIRECTORS

#### COMMITTEE MEETING OF FEBRUARY 14, 2022

**BOARD MEMBERS PRESENT:** Chair Jeff Gattas and Directors Carlos Cota and Carol Kim

**BOARD MEMBERS ABSENT:** Director Will Rodriguez-Kennedy

**STAFF PRESENT:** Rip Rippetoe, Mardeen Mattix, Corey Albright and Pat Evans (Recorder)

**ALSO PRESENT:** Julie Coker, SDTA President & CEO

1. **Call to Order:** Chair Jeff Gattas called the meeting to order at 11:02 a.m. at 111 West Harbor Drive, San Diego, California.

Chair Gattas announced that since this meeting is being conducted via teleconference, the first action is to perform a roll call to determine which Board members are present on this call:

Director Jeff Gattas – Present  
Director Carlos Cota - Present  
Director Carol Kim – Present  
Director Will Rodriguez-Kennedy – Absent

Chair Gattas noted that all Directors were present except Director Rodriguez-Kennedy. Chair Gattas further noted that all votes would be recorded via roll-call vote.

2. **Non-Agenda Public Comment:** None
3. **Approval of Minutes of January 19, 2022 Budget Committee Meeting:**

Directors Cota and Kim moved and seconded, respectively, to approve the minutes from the January 19, 2022 meeting.

**Director Jeff Gattas – Aye**  
**Director Carlos Cota - Aye**  
**Director Carol Kim – Aye**  
**Director Will Rodriguez-Kennedy – Absent**

**Vote: Unanimous**

**AYES: 3                      NAYS: 0                      ABSTENTIONS: 0**

**4. Chair's Report: None**

- 5. Action Item(s):** Chair Gattas requested public comment regarding any of the agenda items. Hearing none, presentations regarding the items commenced.

Chair Gattas inquired if any member of the public wished to comment on Agenda Item 5.A. No members of the public responded to the request for comment.

**A. Recommendation to Authorize Contract for East Building Fire Alarm Improvements**

Director Rodriguez-Kennedy joined the meeting at 11:04 a.m.

**Directors Kim and Cota moved and seconded, respectively, to recommend authorizing a Contract for East Building Fire Alarm Improvements at a cost of \$524,480 with an additional seven percent contingency for unforeseen conditions.**

**Director Jeff Gattas – Aye**  
**Director Carlos Cota - Aye**  
**Director Carol Kim – Aye**  
**Director Will Rodriguez-Kennedy – Aye**

**Vote: Unanimous**

**AYES: 4                      NAYS: 0                      ABSTENTIONS: 0**

Chair Gattas inquired if any member of the public wished to comment on Agenda Item 5.B. No members of the public responded to the request for comment.

**B. Recommendation to Authorize Contract for Replacement of Dewatering Pumps in Remaining Three Pump Stations**

**Directors Kim and Cota moved and seconded, respectively, to recommend authorizing a Contract for Replacement of Dewatering Pumps in Remaining Three Pump Stations at a cost of \$96,840.17.**



Director Rodriguez-Kennedy left the meeting at 11:14 a.m.

**Director Jeff Gattas – Aye**  
**Director Carlos Cota - Aye**  
**Director Carol Kim – Aye**  
**Director Will Rodriguez-Kennedy – Absent**

**Vote: Unanimous**

**AYES: 3**

**NAYS: 0**

**ABSTENTIONS: 0**

**6. Staff Updates:**

**CFO:** Ms. Mattix reported the following:

- Staff just completed our ERP conversion for the financial statements, but we do not have our month-end closed yet, so, the Committee hasn't received the usual monthly CFO report. We will distribute the CFO report before the Board meeting along with current financial statements.
- Staff is also wrapping up a very robust draft budget forecast which will include the outlook for this year and we'll have more information regarding the forecast towards the end of this week.
- This month's Budget Committee meeting was scheduled earlier in the month than is usual; therefore, Staff is unable to provide a financial update.
- With regards to the overall budget, everything is pretty much status quo - exactly what Staff was expecting based on the previous month's reports.

**President & CEO:** Mr. Rippetoe reported the following:

- During the last hour, Staff made a presentation to the San Diego City Council's Covid 19 Response and Recovery Committee. During the Committee's comment period, they thanked our team and the Board for being nimble and flexible. Our team not only worked to set the tone for helping bring back business, but it also launched the effort to form a convention centered coalition and to write the safety standards for convention centers in California.
- The Committee specifically acknowledged our team for the work staff did with Operation Shelter-to-Home and Operation Artemis.
- The City Council's ED and IR Committee passed a proposal to regulate sidewalk vending in the City of San Diego. Staff has no issue with the implementation of the

proposal as it should help with the ingress and egress of guests attending events at the Convention Center.

7. **Urgent non-agenda items** (must meet the requirements of Government Code, Section 54954.2) — **None**

8. **Budget Committee Comment** [Govt. Code §54954.2(a)(2)]: **None**

There being no further business, the meeting adjourned at 11:22 a.m.

### **CERTIFICATION**

I, Jeff Gattas, Chair of the Budget Committee of the Board of the Directors 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 Budget Committee of the Board of Directors of the San Diego Convention Center Corporation, Inc. at a duly noticed meeting held on February 14, 2022.

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Jeff Gattas, Chair

## **Agenda Item 5.A & 5.B**

# **SAN DIEGO CONVENTION CENTER CORPORATION**

## **M E M O R A N D U M**

TO: Budget Committee

FROM: Mardeen Mattix, Chief Financial Officer

DATE: For the Agenda of March 14, 2022

RE: Recommendation to Authorize Approval of Fiscal Year 2023 Proposed Budget

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### **BACKGROUND**

The San Diego Convention Center Corporation's FY2023 budget will be considered for approval by the San Diego Convention Center Board of Directors on March 23, 2022. Since re-opening our doors to events in August 2021, our business and industry continues to see recovery from the COVID-19 pandemic. Although the more recent Omicron variant has had an impact on attendance for some events (and caused a small number of events to cancel out of an abundance of caution), demand to hold events is clearly strong as new bookings remain very active. Recently added to our line-up of FY2023 events was an event in April 2023, with food & beverage guarantees of \$1.35M and nearly 7,000 room nights. We anticipate continued improvement in attendance and bookings throughout FY2023, and near normal operations by FY2024 as vaccination rates increase, the number of positive COVID cases decrease, and COVID regulations diminish.

### **DISCUSSION**

The ending reserve balance for FY2022 is forecasted to be \$20,061,230 as of June 30, 2022. The San Diego Convention Center Corporation's FY2023 Proposed Budget produces an overall deficit of \$10,037,890 (prior to subsidy consideration) which includes Debt Service Obligations of \$1,689,740, and Capital Investment expense items of \$3,056,700. Corporation will be requesting a subsidy amount of \$3.65M from the City of San Diego (\$2.65M to fund the SDTA Contract and \$1M support CIP projects). Ending reserve balance for the FY2023 Proposed Budget is expected to be \$13,673,340 assuming City provides support as requested. SDCC will use the Operating Reserve to support operational shortfall expected to be (\$1,641,450) as well make the IBank debt payment and purchase operating and maintenance capital needs for a total reduction of \$6,387,890.

SDCC is scheduled to host 91 events in FY2023, including 69 primary events (65 Convention & Tradeshows, and 4 Corporate events). Actual primary events for pre-COVID years FY2018 & FY2019 were 67 and 64 respectively, which is indicative of returning customer demand for holding events, and a continuation towards "normal" operations. Barring further COVID variants that could affect the FY2023 Proposed Budget, FY2023 attendance is estimated at 768,527. Budgeted attendance for pre-COVID years FY2018 & FY2019 were 875,696 and 913,115 respectively.

FY2023 attendance is expected to remain lower than pre-pandemic levels at around 85%-90%, with full recovery anticipated for some time in FY2024.

FY2023 Proposed Budget Operating Revenues total \$37,184,360, which is \$16.2M higher than the COVID impacted FY2022 Budget. Compared to pre-COVID results, FY2023 Operating Revenues are expected to be higher than FY2018 actual operating revenues by \$1.7M, but lower than FY2019 actual operating revenues by \$5.5M. The increase in FY2023 Proposed Operating Revenues continues to reflect a return to normal business operations as meeting organizers and corporations develop a sense of confidence that events can be held and well attended. A continued increase in vaccination rates and reductions in the number of positive COVID cases will help continue this trend along with pent up demand to travel.

Offsetting some of the increase in revenue are increased expenses. Personnel costs are expected to increase by \$4.4M from the FY2022 Budget primarily due to the recalling of staff in support of increased event activity. Additionally, part of this increase is attributed to market salary adjustments and the creation of a new department for the coordination of capital improvements and maintenance projects. FY2023 Personnel costs are approximately \$3.8M and \$1.5M higher than the pre-COVID actual results from FY2018 and FY2019 respectively.

Non-Personnel costs for general building support, repairs & maintenance, insurance, travel and ancillary support costs increased from \$13.9M in FY2022 to \$17.0M for FY2023 (\$3.2M higher). This increase was mostly in support of critically required general building repair and maintenance costs, facility condition inspections, water intrusion projects, HVAC equipment needs, and increased utilities. FY2023 Non-Personnel costs are approximately \$3.7M and \$3.1M higher than the pre-COVID actual results from FY2018 and FY2019 respectively.

PPP Loan Forgiveness of \$6.4M will be completed by the end of FY2022 (no impact to the FY2023 Proposed Budget).

Debt service expenses for FY2023 are \$1.7M, matching the FY2022 Budget.

FY2023 Capital Investments for CIP and Operating Capital, Net of Debt are \$3,056,500 (an increase of \$742,450 from the FY2022 Budget). CIP projects total \$1,750,000 and will primarily focus on three projects:

- 1) (\$10,000,000+) West building roof replacement currently undergoing foundational engineering analysis and conceptual plans using a design-build contracting firm specialized in Energy Saving Contract financing. The roof financing mechanism is under review but is anticipated to cover the entire cost of the project.
- 2) (\$750,000) Replacement of an 1987 emergency generator beyond its useful life/economic repair
- 3) (\$750,000) Carpet replacement to match meeting rooms to common space carpet décor will complete the project started in 2019 that was deferred during the pandemic.

Operating and Maintenance capital projects total \$1,306,700 and are due primarily to several emergent items not previously identified, such as the replacement of damaged freight elevator doors, failing hot water pumps, variable frequency drives for the chiller units, and essential equipment items.

**STAFF RECOMMENDATION**

Budget Committee recommends that the Board authorize approval of the FY2023 Proposed Operating and Capital expense Budget.



Mardeen Mattix  
Chief Financial Officer

**SAN DIEGO CONVENTION CENTER CORPORATION**  
**FY2023 BUDGET - PRELIMINARY**

Mar 11, 2022

10:08 AM

**City Support Request (\$3.65M):** \$2.65M to fund SDTA contract with additional \$1M for CIP projects (generator and Kitchen remodel)

**SDCC to fund \$7.065M from reserves**

Leaves \$13.7M target reserve balance at end of FY23

	FY2018 PRE-COVID ACTUALS	FY2019 PRE-COVID ACTUALS	FY2022 FORECAST	FY2023 PROPOSED BUDGET	FY2024 PROJECTION
<b>OPERATING REVENUES</b>					
Building Rent	\$9,150,620	\$9,598,717	\$8,044,900	\$8,966,390	\$8,290,720
Co-Promoted Events	22,489	0	0	0	0
Food & Beverage	10,173,665	13,207,127	4,908,320	11,790,680	11,226,140
Event Services	4,110,291	5,194,152	1,874,050	3,764,740	3,634,960
Utilities	5,902,621	7,292,141	3,246,150	6,558,200	6,247,170
Telecommunications	4,444,169	5,029,900	3,327,930	3,947,770	4,376,200
Audio & Visual	1,161,979	1,548,527	693,690	1,100,220	1,189,910
Business Development	180,000	394,650	448,000	876,100	890,000
Interest/Investment Income	165,690	279,158	-100,000	100,000	50,000
Other Revenues	124,469	139,233	61,260	80,260	85,300
<b>TOTAL OPERATING REVENUES</b>	<b>\$35,435,992</b>	<b>\$42,683,605</b>	<b>\$22,504,300</b>	<b>\$37,184,360</b>	<b>\$35,990,400</b>
<b>OPERATING INFLOWS</b>					
City of San Diego - Marketing	\$1,931,000	\$2,133,025	\$0	\$2,650,000	\$2,729,500
City of San Diego - Funding	1,505,000	0	6,000,000	1,000,000	8,000,000
SD Tourism Marketing District (TMD)	0	0	90,000	0	0
Emergency Intake Site	0	0	2,452,260	0	0
<b>TOTAL OPERATING INFLOWS</b>	<b>\$3,436,000</b>	<b>\$2,133,025</b>	<b>\$8,542,260</b>	<b>\$3,650,000</b>	<b>\$10,729,500</b>
<b>TOTAL REVENUES AND INFLOWS</b>	<b>\$38,871,992</b>	<b>\$44,816,630</b>	<b>\$31,046,560</b>	<b>\$40,834,360</b>	<b>\$46,719,900</b>
<b>OPERATING EXPENSES</b>					
Salaries & Wages - Full Time	\$12,664,027	\$13,191,411	\$13,484,970	\$15,289,590	\$16,287,470
Salaries & Wages - Part Time	4,011,802	5,056,427	3,413,160	4,668,190	4,861,750
Fringe Benefits	5,026,155	5,731,579	3,952,520	5,501,180	5,901,710
<b>TOTAL PERSONNEL EXPENSES</b>	<b>\$21,701,984</b>	<b>\$23,979,416</b>	<b>\$20,850,650</b>	<b>\$25,458,960</b>	<b>\$27,050,930</b>
General Expenses	\$2,319,133	\$2,570,368	\$1,295,690	\$1,972,740	\$4,379,400
Repair & Maintenance	2,885,991	2,703,164	3,175,630	4,795,260	5,034,970
Utilities	4,110,677	4,419,035	4,292,000	4,594,560	4,824,290
Contracted Services	874,749	971,723	909,050	1,538,520	1,070,390
Travel & Transportation	123,718	123,847	42,170	67,180	70,200
Insurance	347,613	366,467	606,610	683,230	717,390
Telecommunications	48,174	44,539	35,700	59,650	62,640
Sales & Marketing	2,082,600	2,184,609	1,934,860	2,702,310	2,784,340
Supplies	597,719	549,363	457,880	603,400	633,620
<b>TOTAL SUPPLIES &amp; SERVICES</b>	<b>\$13,390,374</b>	<b>\$13,933,116</b>	<b>\$12,749,590</b>	<b>\$17,016,850</b>	<b>\$19,577,240</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$35,092,358</b>	<b>\$37,912,532</b>	<b>\$33,600,240</b>	<b>\$42,475,810</b>	<b>\$46,628,170</b>
<b>NET OPERATING REVENUES / EXPENSES</b>	<b>\$3,779,633</b>	<b>\$6,904,098</b>	<b>-\$2,553,680</b>	<b>-\$1,641,450</b>	<b>\$91,730</b>
<b>EXTRAORDINARY GAIN ON DEBT FORGIVENESS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,387,000</b>	<b>\$0</b>	<b>\$0</b>



**SAN DIEGO CONVENTION CENTER CORPORATION**  
**FY2023 BUDGET - PRELIMINARY**

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	FY2018 PRE-COVID ACTUALS	FY2019 PRE-COVID ACTUALS	FY2022 FORECAST	FY2023 PROPOSED BUDGET	FY2024 PROJECTION
<b>DEBT SERVICE EXPENSES</b>					
Interest Expense	\$572,190	\$414,177	\$836,100	\$806,980	\$776,800
Loan Admin Fee	0	70,125	69,690	67,440	64,910
Principal: Warehouse Lease	2,200	2,200	2,200	1,650	0
Principal: IBank Loan	731,970	783,200	785,470	813,670	842,880
<b>TOTAL DEBT SERVICE EXPENSES</b>	\$1,306,360	\$1,269,702	\$1,693,460	\$1,689,740	\$1,684,590
<b>CAPITAL INVESTMENTS</b>					
CIP - Infrastructure Projects	\$15,316,911	\$4,031,000	\$900,000	\$6,910,000	\$23,944,540
Debt Finance offset (IBank/Roof)	-\$15,576,116	-\$1,468,610	\$0	-\$5,160,000	-\$14,950,000
"O&M" Operating & Major Maintenance Capital items	\$0	\$0	\$1,050,302	\$1,306,700	\$1,312,000
<b>TOTAL CAPITAL INVESTMENTS (Net of Debt)</b>	-\$259,205	\$2,562,390	\$1,950,302	\$3,056,700	\$10,306,540
<b>NET OPERATING RESERVE IMPACT</b>	\$2,732,478	\$3,072,007	\$189,558	-\$6,387,890	-\$11,899,400

OPERATING RESERVE ACTIVITY	FY2018 PRE-COVID ACTUALS	FY2019 PRE-COVID ACTUALS	FY2022 FORECAST	FY2023 PROPOSED BUDGET	FY2024 PROJECTION
<b>Beginning Operating Reserve</b>	\$5,303,993	\$9,017,714	\$19,871,670	\$20,061,228	\$13,673,338
+ Net Operating Revenues / (Expenses)	3,456,716	6,904,098	-2,553,680	-1,641,450	91,730
+ PPP Loan Forgiveness	0	0	6,387,000	0	0
- Debt Service Obligation	-2,200	-1,269,702	-1,693,460	-1,689,740	-1,684,590
- Capital Investment (Net of Debt)	259,205	-2,562,390	-1,950,302	-3,056,700	-10,306,540
<b>Ending Reserve Balance</b>	\$9,017,714	\$12,089,721	\$20,061,228	\$13,673,338	\$1,773,938
Reserve Minimum Balance (8%)	\$2,990,000	\$3,080,000	\$2,989,110	\$3,132,124	\$2,792,167
Over / (Under) Reserve Minimum Balance	\$6,027,714	\$9,009,721	\$17,072,118	\$10,541,214	-\$1,018,229

## 10-Yr. CIP (Capital Infrastructure Projects)

PRIORITY	PROJECT DESCRIPTION	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<b>Roof Planning and Design</b>						
1	Roof Engineering/Design Consultant - (Permitting, studies, solar analysis), the design-build, demo, construction West Building Roof (20% Contingency)	5,000,000	6,000,000 2,200,000	-	-	-
<b>Mechanical Systems: Central Plant Replacement (Based on TK1/Facility Assessment)</b>						
1	AHU's replacement/refurb		8,250,000	6,750,000	14,250,000	22,500,000
2	Boiler replacement (Kitchen \$40K, 2 Sail (\$60K each) - Sail may be funded as part of roof	160,000	-	1,292,000	-	-
2	Central Plant Pump replacement	-	-	55,000	600,000	267,000
2	Chiller replacement 1 & 2	-	2,640,000	-	-	-
2	Chillers replacement 3, 4 & 5	-	-	3,080,000	-	-
2	Chillers 3-5: Replace three large VFD's (\$300K each x 3)	-	970,840	-	-	-
2	Air Delivery System: Upgrade - Ballroom 20	-	223,700	-	-	-
<b>West Kitchen Remodel (needs to be done before Expansion demo of East kitchen)</b>						
2	West Kitchen Equipment: Remodel infrastructure	250,000	1,500,000			
2	West Kitchen: Remodel (Equipment Replacement)	-	2,210,000			
<b>Electrical Systems: Need consultant/inventory/assessment to further plan</b>						
2	Replace 1989 emergency generator & transfer system	750,000	-	-	-	-
<b>Elevator/Escalator</b>						
3	Elevators Recondition (5 front facing) + cameras	-	-	-	-	1,238,445
3	Inclined Elevator: Replace & rebuild	-	-	-	257,373	-
4	Freight Elevators: Recondition 3, 4, & 5 - East Building	-	-	-	-	-
4	Passenger Elevators: Modernization - B,C,1,2,6, and 7					
<b>Building Reconditioning Projects</b>						
2	in process Carpet Modernization - Meeting rooms	750,000				
2	ADA Interior Door Openings: Replace 31 sets - Sails, kitchen, 20 foyer, lk	-	-	250,000	250,000	-
2	Master Modernization (Paint) - Meeting Rooms	-	-	250,000	-	-
2	Resurface East Kitchen floors (waiting on expansion)	-	-		550,992	750,000



10-Yr. CIP (Capital Infrastructure Projects)

PRIORITY	PROJECT DESCRIPTION	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
3	Access points of entry upgrade	-	-	-	-	200,000
3	Concession stands: Retrofit A-C (\$100,000 each; 2 total) Others will be c	-	-	-	121,800	-
3	Front Drive East: Replace concrete	-	-	-	1,369,500	-
3	Move coffee service area to 20B corridor	-	-	-	796,040	-
3	Replace ceiling (Stewarding area)	-	-	-	-	1,090,000
3	Replace concrete at West Mezzanine Terrace	-	-	-	-	91,600
3	Replace underground fuel tanks (2)	-	-	-	-	134,784
3	Signage: Way Finding & Design	-	-	-	125,000	1,221,800
<b>Roof (East) Replacement (Based on Assessment)</b>						
1	East Building - Metal Roof	-	-	2,623,500	-	-
2	East Building Roof (Upper, Lower & Mechanical Wells)	-	-	4,560,700	-	-
2	East Building Roof (20% Contingency)	-	-	1,436,800	-	-
<b>Total Capital Infrastructure Projects</b>		<b>\$ 6,910,000</b>	<b>\$ 23,994,540</b>	<b>\$ 20,298,000</b>	<b>\$ 18,320,705</b>	<b>\$ 27,493,629</b>

Funded from Debt/Loan

5,160,000

14,950,000

1,000,000

750,000

**1**=Emergency, Health/Safety/Mandates

**2**=Frequent Problems/expired useful life/impacts revenue generation or increases costs

**3**=Public Demand/Benefit, Client facing and synergy with other projects/Purchasing Power

**4**=Planned replacement with avail funding

**10-Year (Operating Capital Equipment) - As of 03/09/22**

PRIORITY	PROJECT DESCRIPTION	FY 2022 Budget	FY 2022 Forecast	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
1	Broiler - Kitchen Equipment (East Kitchen)	30,000	Deferred	30,000				
1	Glassware Dish Machine (East Kitchen)	45,000	Deferred	80,000				
Emergency	Dewatering Pumps (Sloan) - Pit3	0	30,000					
1	Dewatering Pumps (Sloan) - Pit1, Pit2, Pit4	0	90,000					
Emergency	Retubing (Cleaver Boiler #1 - main building)	0	56,000					
Emergency	Lockinval Boiler (RF MacDonald)	0	29,267					
Emergency	Radiator Replacement & Repair (Bay City)	0	60,035					
2	Ansul (fire hood) - West Kitchen (wait for remodel?)	81,250	Deferred					
New - 1	Tilt skillets (w/electrical)		60,000					
2	Barometric Damper controls (Albireo)	58,000	Deferred	58,000				
2	ERP Conversion (Event MGT. / Finance software system replacement)	200,000	200,000					
2	Injector Pumps, Controls & Alarms: Replace - P2 South (Cityside)	150,000	Deferred	150,000				
New - 2	ERP Phase II (dashboards/automation)			200,000				
New - 2	ERP Labor Management Upgrade (Implementation & 1st year services for PEPM, timeclocks, dimension, some custom reporting)			150,000				
New - 2	Development of a CMMS Program **New Item				100,000	200,000		
Reclass	Fire Life Safety program (smoke detector replacement, strobes, announcement)		525,000					
New - 2	VFD Drives & Motors (phased replacement - 10yr lifespan, pump/AHU/chiller)			100,000				
New - 2	Freight Elevator Doors N & O Replacement (CCTV cameras on Freight Elevators put in D12 FF&E as placeholder. Scott not involved in CCTV software)			192,700				
New - 2	Hot water pumps (3) replacement and addition of VFDs *DB			100,000	225,000			
New - 4	Re-Key Building ASSA Abloy CLIQ system							
2	Bobcat SkidSteer S590 with bucket, grapple bucket, excavator, stump grinder attachment			95,000				
2	15' personnel lift - motorized			40,000				
3	Carpet Vacuum (to replace sweeper)			50,000		55,000		
3	Robotic Vacuum 1 - Manufacturer/model TBD							
3	Sweeper, Large ride on, Tennant S30			39,000				
2	40' Scissor Lift			80,000				
2	New Walk-in Fridge (plate storage room)				120,000			
2	Public Safety System - (Speakers, AMP, controls)						1,049,369	
2	Redundant Cooler for Rack System in server room - wait for Measure C vote						250,000	
2	Walk thru metal detectors (need to do ROI on lease/purchase)						100,000	
4	Air Wall Trolleys: Replace - East Mtg Rms (Re-evaluate with Expansion)							340,000
2	Air Wall Trolleys: Replace - Exhibit Halls A-C							
4	Air Wall Trolleys: Replace - West Mtg Rms 1-19			475,000				
2	Replace East Meeting Rooms Ballroom 6 (Re-evaluate with Expansion)			0				397,500
3	Replace East Meeting Rooms Ballroom 20 (Re-evaluate with Expansion)			250,000		250,000		
4	East Dock Entrance & Exit Roll-up Doors: Replace							
3	Kitchen Stackler system with shelving equip warehouse							
3	Sewer: Injector Pumps, Controls & Alarms: Replace - P2 North			40,000				89,000
3	Telescopic Seating Riser System 5,000						1,300,000	
3	West Dock Roll-up Door Entrance							
4	40' Boom Lift: Replace						41,000	
4	Air-blades Hand Dryers: Plans, permitting, install tile/drywall refinishing					198,000		

10-Year (Operating Capital Equipment) - As of 03/09/22

PRIORITY	PROJECT DESCRIPTION	FY 2022 Budget	FY 2022 Forecast	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
4	Flooring: Rubberized replacement						858,001	
4	Sewer: Injector Pumps, Controls & Alarms: Replace - P1 North						0	
4	Triplex Lawnmower						42,000	
4	Yale Electric Forklift with Charger				44,000			
4	Yale Electric Forklift with Charger							
<b>Total Operating Capital Projects</b>		<b>564,250</b>	<b>1,050,302</b>	<b>1,306,700</b>	<b>1,312,000</b>	<b>703,000</b>	<b>3,640,370</b>	<b>826,500</b>

1=Emergency, Health/Safety/Mandates

2=Frequent Problems/expired useful life/impacts revenue generation or increases costs

3=Public Demand/Benefit, Client facing and synergy with other projects/Purchasing Power

4=Planned replacement with avail funding

## **Agenda Item 5.C**

# **SAN DIEGO CONVENTION CENTER CORPORATION M E M O R A N D U M**

**TO: Budget Committee**

**FROM: Mardeen Mattix, Chief Financial Officer**

**DATE: For the Agenda of March 14, 2022**

**RE: Recommendation to Authorize Award of Contract for Talent Acquisition Consulting**

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### **BACKGROUND**

In April 2020, due to uncertainty of the COVID-19 pandemic, Corporation reduced staffing levels with multiple rounds of layoffs ensuing over the course of a year, ultimately reducing staffing levels by 60% at the lowest point. As the job market continues towards recovery and with the industry suffering from instability, rebuilding the teams has remained a significant challenge.

### **DISCUSSION**

The Corporation needs to develop a long-term strategy to attract talent and retain existing teams. Talent shortages, recruiting efforts and management vacancies continue to hinder the People & Culture Department from rebuilding and getting ahead of staffing shortages to service client needs. Late last year, Staff retained the human resources consulting firm Forward Talent Strategies (FTS). FTS has been facilitating and coordinating a restructure plan to rebuild the People & Culture team over the past few months. Attrition and turnover outpace the hiring and onboarding efforts. With the pressure of large shows to service on the horizon, staff need to fill over 100+ positions within a short time-frame and do not have enough resources to complete the process.

FTS recommended staff consider partnering with Ignite Human Capital (IHC) to assist with talent acquisition and strategies to build a roadmap for the recruiting processes. Through high-quality recruiting channels, IHC will provide resources to solve talent shortages while helping find long-term candidate pools and recruiting avenues for SDCCC. They have their own staffing firm to support direct hire searches focused on high volume/high demand roles like cleaning and security positions. IHC will review internal processes and systems to provide assurance that staff have the best tools to achieve results in the market while concurrently providing additional recruiting support to enhance efforts.

IHC offers direct placement services for management level or specialized roles through a highly experienced team dedicated to implement direct marketing campaigns with interview and screening processes to reach the best possible candidates. Staff have identified a few positions that would benefit from a direct campaign strategy such as this to fill open positions (e.g. HRIS, HR management positions, Risk Management, Trades Supervisor).

Staff recommends engaging with Ignite Human Capital to utilize all available talent acquisition channels immediately. The breakdown of cost estimates would require:

- Talent Consulting (Mid-level support): 20 hrs/week, 12 weeks @ \$67.60/hr = \$16,704  
*(Delivers recruiting help for positions across junior to mid-level, high volume)*
- Talent Consulting (Jr. level support): 20 hrs/week, 12 weeks @ \$39.00/hr = \$9,360  
*(Delivers recruiting help for positions across junior level, high volume)*
- Talent Manager (Strategic/Systems support): 10 hrs/week, 8 weeks @ \$150.00/hr = \$12,000  
*(Delivers recruiter training, talent strategy, systems review, compensation review)*
- Direct hire (Contingent search): 21% placement fee of Annual Salary

#### STAFF RECOMMENDATION

Budget Committee recommends that the Board approve authorizing award of a talent acquisition contract to Ignite Human Capital for a not-to-exceed value of \$150,000.00 for recruitment services.



Mardeen Mattix,  
Chief Financial Officer

## Agenda Item 5.D

# SAN DIEGO CONVENTION CENTER CORPORATION M E M O R A N D U M

**TO:** Budget Committee

**FROM:** Corey Albright, Executive Director, Procurement & Strategic Relations

**DATE:** For the Agenda of March 14, 2022

**RE:** Recommend Authorization to Contract for Repairs to Chiller #1.

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### BACKGROUND

The San Diego Convention Center's heating, ventilation, and air conditioning (HVAC) systems are essential for providing thermal comfort to all occupants. Among the equipment supporting this complex HVAC system are chillers to provide cooling. Recently Chiller #1 experienced a failure in the variable frequency drive (VFD) that supports it, leaving Chiller #1 out of service.

### DISCUSSION

Staff anticipates replacing Chiller #1 in FY24. In the meantime, Staff conducted an evaluation of options prioritizing the necessity to provide cool air to events during the coming summer months.

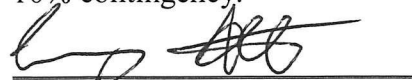
Staff determined the most viable options were to replace the failed VFD in like kind with a new one or alternatively install a soft starter. During the evaluation, Staff obtained proposals for both options. Below is a summary of estimated costs:

Contractor	Cost for Replacing VFD	Cost for Installing Soft Starter
ACCO Engineered Systems	\$238,234.00	\$212,915.00
Jackson & Blanc	\$275,000.00	\$143,000.00
Sloan Electromechanical	N/A	\$72,156.29

Balancing the fact that Staff anticipates Chiller #1 will be replaced in FY24 and modern chillers typically have VFDs integrated into them (as opposed to our VFDs that were installed separately years after the chiller installation), Staff recommends proceeding with replacing the VFD with a soft starter. Staff recommends award of a contract to Sloan Electromechanical for \$72,156.29 with an additional 10% (\$7,215.63) contingency for unforeseen conditions.

### STAFF RECOMMENDATION

Recommend authorization to approve contract with Sloan Electromechanical for \$72,156.29 with 10% contingency.



Corey Albright,  
Executive Director, Procurement & Strategic Relations