

**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**

**TUESDAY, OCTOBER 18, 2022, NOON
111 W. Harbor Drive, 2nd Floor, Executive Boardroom
San Diego, California 92101**

AGENDA

Pursuant to Government Code section 54953(e)(1)(B), City of San Diego City Council Resolution R-2022-396, and San Diego Convention Center Corporation Resolution No. 2022-14 approved on September 23, 2022, members of the San Diego Convention Center Corporation Board and all of its legislative bodies 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 this 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 September 19, 2022 Budget Committee Meeting**
4. **Chair's Report**

5. **Action Item(s):**

A. **Recommendation to Authorize Contract for Electrical Panel Repair Project**

B. **Recommendation to Authorize Contract for Soffit Removal Project (with Preliminary Cost Estimates)**

6. **Staff Updates:**

- **CFO**
- **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. Please contact Pat Evans at (619)525-5131 or 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 SEPTEMBER 19, 2022

BOARD MEMBERS PRESENT: Chair Jeff Gattas and Directors Carlos Cota and Will Rodriguez-Kennedy

BOARD MEMBERS ABSENT: Director Carol Kim

STAFF PRESENT: Rip Rippetoe, Mardeen Mattix, Corey Albright, Anastasia Rollins, Juan Reyes, and Pat Evans (Recorder)

ALSO PRESENT:

1. **Call to Order:** Chair Jeff Gattas called the meeting to order at 12:02 a.m. in the Executive Conference Room of the San Diego Convention Center, 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 – Absent
Director Will Rodriguez-Kennedy – Present

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

2. **Non-Agenda Public Comment:** Chair Gattas requested public comment regarding any non-agenda items. Hearing none, the meeting proceeded.

3. **Approval of Minutes of June 13, 2022, Budget Committee Meeting:**

Directors Rodriguez-Kennedy and Cota moved and seconded, respectively, to approve the minutes from the June 13, 2022, meeting.

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

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 Approval of Meeting Room Carpet Installation Costs

Directors Cota and Rodriguez-Kennedy moved and seconded, respectively, to recommend a contract award to ProSpectra Contract Flooring for Meeting Room carpet installation at a cost of \$229,376. The amended cost of the carpet project, including materials and installation, shall not exceed \$971,600 which includes a contingency fund for unforeseen conditions.

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

Vote: Unanimous

AYES: 3 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 a Contract for Elevator Door Replacement

Directors Cota and Gattas moved and seconded, respectively, to recommend Authorizing a Contract to Kone, Inc. for Elevator Door Replacement at a projected cost of \$200,000.

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

Vote: Unanimous

AYES: 3 NAYS: 0 ABSTENTIONS: 0

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

C. Recommendation to Authorize a Contract for East Building Fire Door Project

Directors Cota and Gattas moved and seconded, respectively, to recommend Authorizing a Contract to Sygnal Systems for the east building fire door project at a projected cost of \$196,000, with an additional \$15,000 contingency for unforeseen conditions. The total projected budget for the fire door project is \$211,000.

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

Vote: Unanimous

AYES: 3 NAYS: 0 ABSTENTIONS: 0

6. Staff Updates:

CFO: Ms. Mattix noted that she would be forwarding her CFO report and the July and August financials shortly and she reported the following:

- The month of July started off slowly, but the month of August had a strong showing.
- The Alzheimer event had very strong F&B revenues and ancillary services revenues are on track even though utility commission projections did not perform as well as anticipated. Staff will perform a deeper dive to review potential trends.

- Regarding budget variances, the Personnel line-item continues below budget. A temporary hold has been placed on new staff hires while H.R. is rebuilding its staff. Staff will continue to focus on recruiting essential positions. The Corporation currently has 35 open positions.
- The Repair and Maintenance line-item is approximately \$1.1 million ahead of budget but the surplus is probably related to timing issues. The overall budget is on track.

President & CEO: Mr. Rippetoe reported the following:

- Mr. Rippetoe discussed industry exhibit trends and how world events can impact how exhibitors spend their dollars for booth set-up.
- Some exhibitors are more focused on enhancing technology these days than on building large flashy booths that increase freight costs.
- Ancillary services revenues will continue to fluctuate due to an event paradigm shift (i.e., the ratio of exhibitors attending events based on the number of projected attendees).
- San Diego convention business is recovering its attendance numbers from the pandemic more quickly than other destinations and medical shows have almost achieved 100% attendance resurgence.

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 12:28 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 September 19, 2022

Jeff Gattas, Chair

Agenda Item 5.A

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

TO: Budget Committee

FROM: Corey Albright, Chief Operating Officer

DATE: For the Agenda of October 18, 2022

RE: Authorization to Contract for Electrical Repairs.

BACKGROUND

In May 2022, Corporation Staff contracted with Chula Vista Electric to complete an arc flash analysis of the electrical infrastructure throughout the facility. Chula Vista Electric collaborated with an electrical engineering firm, Applied Engineering Concepts, to review our electrical infrastructure and ensure compliance with applicable codes and regulations.

DISCUSSION

Chula Vista Electric and Applied Engineering Concepts presented their findings to Staff outlining a series of immediate corrective actions required and additional proactive recommendations for future improvements with an estimated total cost of \$1,276,438.83.

Staff engaged in thorough discussions with Chula Vista Electric and Applied Engineering Concepts and determined it is necessary to proceed with the corrective actions at an unbudgeted cost of \$654,775.92 to ensure fire and life safety and regain compliance with applicable building codes.

Staff assesses Chula Vista Electric's proposal as fair and reasonable with 84% of the estimate allocated to materials and 16% as a not to exceed labor allowance. Staff recommends awarding an unbudgeted contract for the corrective electrical repairs prioritizing fire and life safety to Chula Vista Electric for \$654,775.92 with an additional 5% (\$32,738.80) in contingency for unforeseen conditions for a total budget not to exceed \$687,514.72.

STAFF RECOMMENDATION

Recommend Board authorize contract award to Chula Vista Electric for corrective electrical repairs not to exceed \$687,514.72.

/s/
Corey Albright,
Chief Operating Officer