

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

**Director Will Rodriguez-Kennedy, Chair
Director Jaymie Bradford
Director Gretchen Newsom**

**WEDNESDAY, JUNE 12, 2024, 12:30 P.M.
111 W. Harbor Drive, 2nd Floor, Executive Boardroom
San Diego, California 92101**

AGENDA

**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** -Will Rodriguez-Kennedy, 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 April 17, 2024, Committee Meeting**
4. **Chair's Report**
5. **Action Item(s):**
 - A. Recommendation to Authorize Approval Revised FY 2025 Budget
 - B. Recommendation to Authorize Approval of Contract for Temporary Staffing
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

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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 online at visitsandiego.com. Materials distributed to the board after the posting of this agenda also will be available. Please contact Pat Evans at (619)525-5131 or pat.evans@visitsandiego.com if you would like to receive a copy of any material related to an item on this agenda.

Agenda Item 3

MINUTES

SAN DIEGO CONVENTION CENTER CORPORATION BUDGET COMMITTEE OF THE BOARD OF DIRECTORS COMMITTEE MEETING OF APRIL 17, 2024

BOARD MEMBERS PRESENT: Chair Will Rodriguez-Kennedy and Gretchen Newsom

BOARD MEMBERS ABSENT: Director Jaymie Bradford

STAFF PRESENT: Rip Rippetoe, Mardeen Mattix, Corey Albright, Shannon Teem, Victoria Mitchell and Pat Evans (Recorder)

ALSO PRESENT:

* Meeting Minutes memorialize votes on “Action Items” and Staff Reports and are not a verbatim transcript of regular Committee meetings. Audio copies of Committee meetings are available upon request. Please contact Pat Evans at (619)525-5131 or pat.evans@visitsandiego.com to request a copy.

1. **Call to Order:** Chair Rodriguez-Kennedy called the meeting to order at 11:04 a.m. in the Executive Conference Room of the San Diego Convention Center, 111 West Harbor Drive, San Diego, California.

Chair Rodriguez-Kennedy announced that since this meeting is being conducted on site with an open line to the public, the first action is to perform a roll call to determine which Board members are present on this call:

Director Rodriguez-Kennedy – Present
Director Bradford- Absent
Director Newsom– Present

Chair Rodriguez-Kennedy reported that all Directors were present except Director Bradford, and that all votes would be recorded via roll-call vote.

2. **Non-Agenda Public Comment:** Chair Rodriguez-Kennedy requested public comment regarding any non-agenda items. No members of the public responded to the request for comment.

3. **Approval of Minutes of March 20, 2024, Budget Committee Meeting:**

Chair Rodriguez-Kennedy inquired if any member of the public wished to comment on Agenda Item (3). No members of the public responded to the request for comment.

Directors Newsom and Rodriguez-Kennedy moved and seconded, respectively, to approve the minutes from the March 20, 2024, meeting.

Director Rodriguez-Kennedy – Aye

Director Bradford- Absent

Director Newsom– Aye

Vote: Unanimous

AYES: 2

NAYS: 0

ABSTENTIONS: 0

4. **Chair’s Report:** Chair Rodriguez-Kennedy reported that he has been participating with staff in discussions with City Council and the Mayor’s office regarding the SDCCC budget.

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

A. Recommendation to Review and Authorize Placement of Property and Casualty Insurance through the Brokerage Services of Marsh & McLennan Agency

Chair Rodriguez-Kennedy called for a staff report regarding Agenda Item (5.A). After staff submitted its report, Chair Rodriguez-Kennedy 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.

After presentations by staff, Directors Newsom and Rodriguez-Kennedy moved and seconded, respectively, to recommend Review and Authorize Placement of Property and Casualty Insurance through the Brokerage Services of Marsh and McLennan Agency.

Director Rodriguez-Kennedy – Aye

Director Bradford- Absent

Director Newsom– Aye

Vote: Unanimous

AYES: 2

NAYS: 0

ABSTENTIONS: 0

6. **Staff Updates:**

CFO: Ms. Mattix reported:

- We are closing out March, but initial figures indicate March events are outperforming expectations so even with the loss of a significant event, the Corporation did well and made up for anticipated lost revenues.
- Current projections show the Corporation is approximately \$1.5 to \$2 million over anticipated revenues so far this year. This development is outstanding because the Corporation had originally budgeted for several smaller events that did not materialize once the sales strategy was changed to become more selective about booked events. Even with the elimination of several smaller events, the existing smaller events are performing very strongly, and the city-wide events are outperforming all expectations.
- Staff has elected to take a conservative approach on spending. No projects have been halted and the building is still being maintained; however, staff is being very deliberate when determining where to expend funds. That approach will continue into next year as staff attempts to preserve the reserves as much as possible.
- Another positive item is that utility costs are scaling back appropriately compared to last year and utility costs should be on point as budgeted by the end of the year. This new outcome means that the line-item had the correct amount, but that amount was probably spread incorrectly in last year's budget.

President & CEO: Mr. Rippetoe thanked the Finance and H.R. teams for their in depth analysis of the Corporation's insurance coverage.

Chair Rodriguez-Kennedy inquired if any member of the public wished to comment on Agenda Item 6. No members of the public responded to the request for comment.

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 11:27 a.m.

CERTIFICATION

I, Will Rodriguez-Kennedy, 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 April 17, 2024.

Will Rodriguez-Kennedy, Chair

Agenda Item 5.A

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 June 12, 2024

RE: Revised Fiscal Year 2025 Budget

BACKGROUND

The San Diego Convention Center Corporation's FY2025 budget was officially adopted on March 27, 2024. However, shortly after approval, City staff informed the corporation of adjustments to its funding allocation for FY25, as outlined in the Mayor's Budgetary draft proposal. Specifically, the initially requested \$4.0 million in operational funding was reduced to \$2,816,600. This reduction was primarily allocated as a direct pass-through to support marketing contract obligations for SDTA.

The City did, however, reinstate \$456,000 of the original request to reimburse the corporation for costs associated with stormwater infrastructure investments. Additionally, the City committed to reviewing future planned capital projects, with the possibility of funding qualifying items through debt issuance after further assessment. As of now, pending a sales tax measure increase scheduled for the November elections, no further funding has been allocated. It is anticipated that if the measure passes, the City will provide support for some of the deferred items outlined below.

DISCUSSION

In recent months, significant changes have occurred in both the FY24 budgetary forecast and planned FY25 activity. Recognizing the rapid depletion of the FY26 reserve balance coupled with the substantial \$10 million funding request for FY26, the corporation opted for a conservative approach, scaling back spending until the results of the sales tax measure are known. Based on updated event activity and projections for future contracts, the estimated beginning reserve balance for FY2025 stands at \$23,397,347. A detailed breakdown of these changes is provided on the following page.

STAFF RECOMMENDATION

The Budget Committee recommends to the Board approval of the revised FY2025 Operating Budget.



Mardeen Mattix
Chief Financial Officer

Agenda Item 5.A

San Diego Convention Center Corporation FY2025 Changes Corporate Summary

	FY24 Difference	FY25 Difference	FY26 Difference	NOTES
OPERATING REVENUES				
Building Rent	\$288,090	\$6,100	\$0	FY24 - Updated Jan - Apr Actuals.
Food & Beverage	-192,099	-1,229,650	718,380	FY24 - Tableau under-budget. FY25 2 Corp reduced. FY26 contracted for more.
Event Services	363,835	-21,810	0	FY24 - Updated Jan - Apr Actuals.
Utilities	1,668,507	107,590	508,595	FY24 - Updating Jan - Apr Actuals. FY25/26 F&B Utility Commission Update from current trend.
Telecommunications	193,359	-34,517	0	FY24 - Updated Jan - Apr Actuals.
Audio & Visual	225,692	-28,513	0	FY24 - Updated Jan - Apr Actuals.
Other Ancillaries	61,390	-7,000	0	FY24 - Updated Jan - Apr Actuals.
Other Revenues	17,113	0	0	FY24 - Updated Jan - Apr Actuals (Building Damage)
City of San Diego - Funding	\$0	-\$727,310	\$0	City funding difference
TOTAL REVENUES AND INFLOWS	\$2,625,886	-\$1,935,110	\$1,226,975	
OPERATING EXPENSES				
Salaries & Wages - Full Time	-\$136,358	\$500,000	\$525,000	FY25 & FY26 - Increase for trades negotiations/sales analyst
Salaries & Wages - Part Time	60,000	350,000	367,500	FY25 & FY26 - Increase for cleaning turnover/training
Fringe Benefits	64,200	446,000	465,050	FY25 & FY26 - Increase WC Claims (\$250K), Unemployment (\$75K), ER Taxes (\$70K)
General Expenses	\$229,762	\$76,600	-\$44,570	FY25 & FY26: Reduced \$200K for chiller rentals
Repair & Maintenance	-55,000	-\$575,000	-3,750	ADA Repairs: \$500K in FY25 to (\$100K FY25, \$200K FY26, \$200K FY27), reduced water intrusion \$500K to \$300K annually
Contracted Services	-90,500	285,200	281,401	FY25 & FY26: Added \$180K for Temp services for CC and FY25 & FY26 Insurance Broker Fees \$81,250 each year
Travel & Transportation	0	-21,505	-22,579	Reduced various travels for VMS school and bucket training in order to plan and budget
Insurance	30,000	20,000	21,000	Increased deductible to \$50K
Supplies	-100,000	300,000	115,000	FY25 & FY26 - Increased Wardrobe \$200K for purchase of uniforms
TOTAL OPERATING EXPENSES	\$2,104	\$1,381,295	\$1,704,052	
NET OPERATING INCOME / -LOSS	\$2,623,782	-\$3,316,405	-\$477,077	
Non-Operating Revenues	-600,371	-2,965,909	1,015,909	Interest Income reduced (lower cash levels and int rates). FY25: Sodexo extension to yield \$2M over 22 mo instead of \$4M in FY25
CHANGE IN NET POSITION	\$2,023,411	-\$6,282,314	\$538,832	
OPERATING RESERVE ACTIVITY				
Beginning Operating Reserve:	\$0	\$2,243,112	-\$4,698,227	Reduced due to \$4M Sodexo extension not materializing as lumpsum but amortizing as \$2M over 22 months
+ Change in Net Position	2,023,411	-6,282,314	538,832	FY24 performance is ending strong. FY25 decrease: lost F&B sales and contract extensions, increased personnel costs.
+ Depreciation & Amortization (No Reserve Impact)	0	0	0	
- Principal Payments: iBank Loan & Leases	0	0	0	
- Capital Investments	219,701	-659,025	900,000	FY25: phasing projects longer which impacted FY26. Add a couple projects.
Ending Reserve Balance:	2,243,112	-4,698,227	-3,259,395	

San Diego Convention Center Corporation
FY2025 Board Approved Budget 03/27/24 - Revised 06/06/24
Corporate Summary

Jun 06, 2024

9:59 PM

	FY2023 ACTUALS	FY2024 BUDGET	FY2024 FORECAST	FY2025 BUDGET	FY2026 PROJECTION	FY24 Forecast Board Approved Version 03/27	Difference	FY25 Budget Board Approved Version 03/27	Difference	FY26 Projection Board Approved Version 03/27	Difference
OPERATING REVENUES											
Building Rent	\$9,936,614	\$9,624,410	\$8,564,220	\$8,849,187	\$9,615,495	\$8,276,130	\$288,090	\$8,843,087	\$6,100	\$9,615,495	\$0
Food & Beverage	12,782,573	14,834,860	14,152,347	17,943,514	15,836,810	14,344,446	-192,099	19,173,164	-1,229,650	15,118,430	718,380
Event Services	4,306,092	4,321,960	5,683,130	5,230,729	5,401,821	5,319,295	363,835	5,252,539	-21,810	5,401,821	0
Utilities	6,510,726	6,599,980	8,624,075	7,410,910	7,742,984	6,955,568	1,668,507	7,303,320	107,590	7,234,389	508,595
Telecommunications	5,816,188	5,454,420	6,117,160	5,785,568	5,835,328	5,923,801	193,359	5,820,085	-34,517	5,835,328	0
Audio & Visual	1,979,377	1,440,340	1,673,700	1,897,830	1,690,500	1,448,008	225,692	1,926,343	-28,513	1,690,500	0
Other Ancillaries	693,552	1,043,400	693,631	706,250	715,000	632,241	61,390	713,250	-7,000	715,000	0
Other Revenues	4,599	7,500	20,863	3,000	3,000	3,750	17,113	3,000	0	3,000	0
TOTAL OPERATING REVENUES	\$42,029,720	\$43,326,870	\$45,529,125	\$47,826,988	\$46,840,938	\$42,903,239	\$2,625,886	\$49,034,788	-\$1,207,800	\$45,613,963	\$1,226,975
OPERATING INFLOWS											
City of San Diego - Funding	\$0	\$5,000,000	\$5,000,000	\$456,000	\$10,000,000	\$5,000,000	\$0	\$1,183,310	-\$727,310	\$10,000,000	\$0
City of San Diego - Marketing (SDTA)	2,655,000	2,734,650	2,734,650	2,816,690	2,901,191	2,734,650	0	2,816,690	0	2,901,191	0
TOTAL OPERATING INFLOWS	\$2,655,000	\$7,734,650	\$7,734,650	\$3,272,690	\$12,901,191	\$7,734,650	\$0	\$4,000,000	-\$727,310	\$12,901,191	\$0
TOTAL REVENUES AND INFLOWS	\$44,684,720	\$51,061,520	\$53,263,775	\$51,099,678	\$59,742,129	\$50,637,889	\$2,625,886	\$53,034,788	-\$1,935,110	\$58,515,154	\$1,226,975
OPERATING EXPENSES											
Salaries & Wages - Full Time	\$15,575,085	\$18,197,198	\$18,521,175	\$21,211,564	\$22,065,027	\$18,657,533	-\$136,358	\$20,711,564	\$500,000	\$21,540,027	\$525,000
Salaries & Wages - Part Time	4,799,455	5,570,308	5,854,000	5,850,833	6,088,367	5,794,000	60,000	5,500,833	350,000	5,720,867	367,500
Fringe Benefits	4,898,000	6,565,611	6,466,663	7,176,191	7,464,455	6,402,463	64,200	6,730,191	446,000	6,999,405	465,050
TOTAL PERSONNEL EXPENSES	\$25,272,541	\$30,333,117	\$30,841,838	\$34,238,588	\$35,617,849	\$30,853,996	-\$12,158	\$32,942,588	\$1,296,000	\$34,260,299	\$1,357,550
General Expenses	\$1,927,977	\$2,556,983	\$1,728,728	\$2,471,027	\$2,369,583	\$1,498,966	\$229,762	\$2,394,427	\$76,600	\$2,414,153	-\$44,570
Repair & Maintenance	3,818,474	6,084,882	4,624,760	5,582,301	5,961,417	4,679,760	-55,000	6,157,301	-575,000	5,965,167	-3,750
Utilities	5,934,973	5,955,000	6,455,000	7,155,000	7,512,750	6,455,000	0	7,155,000	0	7,512,750	0
Contracted Services	781,331	718,840	860,403	1,400,760	1,451,421	950,903	-90,500	1,115,560	285,200	1,170,020	281,401
Travel & Transportation	67,883	103,535	99,188	97,925	102,824	99,188	0	119,430	-21,505	125,403	-22,579
Insurance	623,837	763,000	781,646	1,011,286	1,061,850	751,646	30,000	991,286	20,000	1,040,850	21,000
Telecommunications	46,919	92,100	74,850	83,100	87,255	74,850	0	83,100	0	87,255	0
Sales & Marketing	2,697,888	2,784,440	2,768,708	2,876,545	2,964,039	2,768,708	0	2,876,545	0	2,964,039	0
Supplies	640,351	689,350	713,199	1,032,605	884,237	813,199	-100,000	732,605	300,000	769,237	115,000
TOTAL SUPPLIES & SERVICES	\$16,539,632	\$19,748,130	\$18,106,482	\$21,710,549	\$22,395,376	\$18,092,220	\$14,262	\$21,625,254	\$85,295	\$22,048,874	\$346,502
TOTAL DEPRECIATION & AMORTIZATION	\$2,921,622	\$3,194,806	\$3,385,036	\$3,573,484	\$3,909,658	\$3,385,036	\$0	\$3,573,484	\$0	\$3,909,658	\$0
TOTAL OPERATING EXPENSES	\$44,733,795	\$53,276,052	\$52,333,356	\$59,522,621	\$61,922,883	\$52,331,252	\$2,104	\$58,141,326	\$1,381,295	\$60,218,831	\$1,704,052
NET OPERATING INCOME / -LOSS	-\$49,075	-\$2,214,532	\$930,419	-\$8,422,943	-\$2,180,754	-\$1,693,364	\$2,623,782	-\$5,106,538	-\$3,316,405	-\$1,703,677	-\$477,077
Non-Operating Revenues	852,781	312,100	1,153,729	2,138,191	1,670,009	1,754,100	-600,371	5,104,100	-2,965,909	654,100	1,015,909
Non-Operating Expenses	898,719	841,724	909,540	834,036	772,769	909,540	0	834,036	0	772,769	0
NET NON-OPERATING REVENUES/EXPENSES	-\$45,938	-\$529,624	\$244,189	\$1,304,155	\$897,240	\$844,560	-\$600,371	\$4,270,064	-\$2,965,909	-\$118,669	\$1,015,909
CHANGE IN NET POSITION	-\$95,013	-\$2,744,156	\$1,174,608	-\$7,118,788	-\$1,283,514	-\$848,804	\$2,023,411	-\$836,474	-\$6,282,314	-\$1,822,346	\$538,832

OPERATING RESERVE ACTIVITY											
Beginning Operating Reserve:	\$29,334,619	\$24,938,976	\$29,162,991	\$23,397,347	\$9,607,085	\$29,162,991	\$0	\$21,154,234	\$2,243,112	\$14,305,311	-\$4,698,227
+ Change in Net Position	-95,013	-2,744,156	1,174,608	-7,118,788	-1,283,514	-848,804	2,023,411	-836,474	-6,282,314	-1,822,346	538,832
+ Depreciation & Amortization (No Reserve Impact)	2,921,622	3,194,806	3,385,036	3,573,484	3,909,658	3,385,036	0	3,573,484	0	3,909,658	0
- Principal Payments: iBank Loan & Leases	-941,023	-842,880	-1,384,843	-1,467,880	-1,354,486	-1,384,843	0	-1,467,880	0	-1,354,486	0
- Capital Investments	-2,057,214	-13,270,978	-8,940,445	-8,777,078	-6,943,960	-9,160,146	219,701	-8,118,053	-659,025	-7,843,960	900,000
Ending Reserve Balance:	29,162,991	11,275,768	23,397,347	9,607,085	3,934,783	21,154,234	2,243,112	14,305,311	-4,698,227	7,194,177	-3,259,395
MRM - Recommended Target Balance (25%)			9,351,599	10,544,485	11,115,175	9,351,599	0	10,544,485	0	11,115,175	0
Target Balance (14%)			5,236,895	5,904,911	6,224,498	5,236,895	0	5,904,911	0	6,224,498	0
Minimum Balance (8%)			2,992,512	3,374,235	3,556,856	2,992,512	0	3,374,235	0	3,556,856	0

3-Year Capital Outlook Detail (Capital Infrastructure Projects)

FY2025 Board Approved Budget 03/27/24 - Revised 06/06/24

[Link to Table of Contents](#)

Priority	Budget ID	Owner	Asset Life	CIP Project Descriptions	FY2024 Budget	FY2024 Forecast	FY25 Carryover FY24 Commit	FY2025 Budget	FY2026 Projection	FY2027 Projection	FY25-FY27 CIP Total Budget
West Roof Planning and Design											
1	24-17630-ROOF-01	VM	LEASEHOLD (25)	Roof (Engineering/Design/Construction)	400,000		300,000	723,083	4,724,960		5,748,043
2	24-17630-PROSHP-02	VM	LEASEHOLD (30)	Renovate West Pro Shop (assumes plumbing issues with healthy contingency)	500,000						-
3	24-17630-SOLAR-03	VM	LEASEHOLD (25)	Solar	1,000,000			250,000	13,331,682		13,581,682
2	25-17630-ROOF-02	VM	LEASEHOLD (25)	Secure West Roof				100,000			100,000
Total CIP Project:					1,900,000	-	300,000	1,073,083	18,056,642	-	19,429,725
Fire/Life/Safety											
1	24-17615-FIRPMP-02	VM	LEASEHOLD (25)	Fire Pump (Install) - to complete in FY2024	80,000	473,111					-
Total CIP Project:					80,000	473,111	-	-	-	-	-
Mechanical Systems											
3	24-17615-BLDAUT-1A	VM	LEASEHOLD (15)	Building Automation System Upgrade	400,000						-
2	24-17615-METASY-01	VM	LEASEHOLD (15)	Metasys System Upgrade (Phased replacement of NAE devices, N2 Field Controllers)	400,000						-
2	25-17615-LEAK-01	VM	LEASEHOLD (15)	Leak Detection System				50,000			50,000
2	24-17620-CNTRPL-01	VM	LEASEHOLD (15)	Central Plant Overhaul (Design then replacement)		550,000	505,550		30,000,000		30,505,550
Total CIP Project:					800,000	550,000	505,550	50,000	30,000,000	-	30,555,550
West Kitchen Remodel											
2	24-17630-KTCHEQ-01	VM	LEASEHOLD (25)	West Kitchen Equipment	2,000,000	2,005,643					-
2	24-17630-KTCHEQ-01	VM	LEASEHOLD (25)	West Kitchen Contingency		75,804	150,000				150,000
2	24-17630-KTCHEQ-01	VM	LEASEHOLD (25)	West Kitchen Transformer / Electrical Improvements		863,467	1,534,246				1,534,246
2	24-17630-KTCRML-01	VM	LEASEHOLD (30)	West Kitchen: Remodel Infrastructure	2,000,000	2,417,927	500,000				500,000
Total CIP Project:					4,000,000	5,362,841	2,184,246	-	-	-	2,184,246
Electrical Systems											
1	25-17630-WBRKER-01	VM	LEASEHOLD (30)	West Building Main Breaker Modernization	80,000			650,000	650,000		1,300,000
2	24-17630-EMRGEN-01	VM	LEASEHOLD (30)	West Building Generator Infrastructure	500,000	195,000	955,000	-	-		955,000
2	27-17610-LITEXH-01	VM	LEASEHOLD (10)	Lighting Control project Exhibit Halls (west side + some east meeting rooms)	300,000					300,000	300,000
2	27-17610-DIMETC-01	VM	LEASEHOLD (10)	Replace the dimming control system to electronic theatre control (ETC)						500,000	500,000
1	25-17630-CIRCUIT-01	VM	LEASEHOLD (30)	Installation/Adding Of Main Circuit Breakers To The Panels				250,000	250,000	250,000	750,000
1	25-17630-PANELS-01	VM	LEASEHOLD (30)	Electrical Panel Boards And Enclosure Repair				80,000			80,000
1	25-17625-TRANSF-01	VM	LEASEHOLD (25)	Transformer Replacements (Phased Project)				400,000	500,000	1,100,000	2,000,000
				Electrical Infrastructure Upgrades		450,000					-
Total CIP Project:					880,000	645,000	955,000	1,380,000	1,400,000	2,150,000	5,885,000
Building Reconditioning Projects											
2	24-17630-KITFLR-01	VM	LEASEHOLD (30)	Resurface East Kitchen floors	200,000			200,000			200,000
2	24-17615-WAIRWL-01	VM	LEASEHOLD (15)	Replace air walls (west side)	4,000,000						-
3	24-17615-CONCES-1A	VM	LEASEHOLD (15)	Design for Concession Stand Replacement	100,000						-
3	26-17615-CONCES-1B	VM	LEASEHOLD (15)	Concession stands: Retrofit A-C. Others will be demoed in expansion							-
1	25-17710-MRSHLY-1A	CA	LAND	Land Development for Marshall Yard: Grading, concrete, fencing, gate, electrical				250,000			250,000
2	25-17615-OFFICE-01	VM	LEASEHOLD (15)	Workplace HVAC improvements				200,000			200,000
3	25-17610-LOANMD-01	VM	LEASEHOLD (10)	Installation Of Load Monitoring (Metering) Devices				120,000			120,000
1	25-17615-CONCSC-01	CA	LEASEHOLD (15)	Lobby C Concession Refurbishment				250,000			250,000
2	25-17610-FLOORM-01	VM	LEASEHOLD (10)	Replace flooring on stairs by West Mezz rooms				150,000			150,000
?	OM-FRELEV-07	VM	LEASEHOLD (15)	Freight elevator doors N & O Replacement		114,331					-
UN			LEASEHOLD (15)	Cooling Towers Major Repairs		36,371					-
UN			LEASEHOLD (15)	Rollup Door Replacement		113,708					-
UN			LEASEHOLD (15)	Carpet install Exec Offices & Exterior Walk off areas		323,080					-
?	CP-BOILER-02 (FY2023)		LEASEHOLD (15)	East Kitchen Boiler/Tank		68,448					-
Total CIP Project:					4,300,000	655,938	-	1,170,000	-	-	1,170,000
Plumbing Systems											
3	25-17615-DWPITS-01	VM	LEASEHOLD (15)	Replace control units on Dewatering Pits				120,000			120,000
Total CIP Project:					-	-	-	120,000	-	-	120,000
Total Capital Projects - Net Cash Investment Needed					11,960,000	\$7,686,890	\$3,944,796	\$3,793,083	\$49,456,642	\$2,150,000	\$59,344,521
To Be Debt Financed					\$0	\$0	\$0	(43,331,682)	\$0	\$0	(\$43,331,682)
Total O&M Projects - Net Cash Investment Needed					11,960,000	\$7,686,890	\$7,737,879	\$6,124,960	\$2,150,000	\$0	\$16,012,839

3-Year O&M Outlook Detail (Operating Equipment & Major Maintenance Projects)

FY2025 Board Approved Budget 03/27/24 - Revised 06/06/24

[Link to Table of Contents](#)

Priority	Budget ID	Owner	Asset Life	O&M Project Descriptions	FY2024 Budget	FY2024 Forecast	FY25 Carryover FY24 Commit	FY2025 Budget	FY2026 Projection	FY2027 Projection	FY25-FY27 O&M Total Budget
Kitchen Equipment											
3	24-17450-KTNSTK-01	VM	OPER EQUIP (15)	Kitchen Stacker System with Shelving Equipment Warehouse	40,000	30,000					-
2	25-17450-GRILLS-01	VM	OPER EQUIP (15)	Gas Grills (2) - Countertop w/ Splash (East Kitchen)				28,850			28,850
2	25-17450-BROILS-01	VM	OPER EQUIP (15)	Gas Charbroilers (2) - Countertop w/ Stand (East Kitchen)				19,000			19,000
3	25-17450-SRACKS-01	VM	OPER EQUIP (15)	Nesting Pan Racks (Speed Racks) (48) - Due to Damaged Inventory				35,100			35,100
UN	NP11-6490-08	VM		Refrigerator (in Tides)		18,218					
UN	24-17450-COFFEE-UN	VM	OPER EQUIP (15)	Coffee Makers for East Kitchen (w/ upgrades to electrical/plumbing)		82,971					
Total O&M Project:					40,000	131,189	-	82,950	-	-	82,950
Leasehold Asset Part Replacement											
2	25-17610-CAPOM-01	VM	OPER EQUIP (15)	Mechanic Shop Garage Door	-	-		22,000			22,000
2	25-17610-CAPOM-02	VM	OPER EQUIP (15)	Ballroom 20 East Kitchen Corridor Wall Replacement	-	-		40,000			40,000
2	25-17610-CAPOM-03	VM	OPER EQUIP (15)	Server Room Split Temperature Control	-	-		35,000			35,000
	25-17610-CAPOM-04	VM	OPER EQUIP (15)	Contingency Items	-	-		100,000			100,000
Total O&M Project:					-	-	-	197,000	-	-	197,000
Plumbing											
1	24-17450-THRMVL-01	VM	OPER EQUIP (15)	Thermostat mixing valves	280,000	27,711					-
Total O&M Project:					280,000	27,711	-	-	-	-	-
Technology											
2	24-17250-CCTVFR-01	CA	SOFTWARE (10)	CCTV Upgrade (front drive) - Public Safety	150,000	-					
2	25-17220-UKGWF-01	MRM	SOFTWARE (5)	Workforce Management (Dimensions) UKG Pro Timekeeping, UKG Pro Accruals, Advance Scheduling, Leave & Attendance)				141,300			141,300
3	24-17220-SERVOM-01	SM	SOFTWARE (5)	Server Replacement (phased fleet replacement)	60,000	70,000					-
3	24-17220-NIMBLE-01	SM	SOFTWARE (5)	Digital Storage Appliance (Replacing Nimble)	163,000	40,935					-
2	OM-ERPP11-04		SOFTWARE (5)	ERP Phase II (FMT & Solver)		75,000					-
UN			SOFTWARE (5)	Maintenance Mgmt System (NexGen)		254,040					
UN				Capital Contribution - Smart City - Wireless Upgrade for WiFi 6		138,729					
UN				Capital Contribution - Smart City - Outdoor IDF Upgrade				300,000			
Total O&M Project:					373,000	578,704	-	441,300	-	-	141,300
Operating Equipment											
1	24-17450-WHLCHL-01	DB	OPER EQUIP (15)	Ascension Virtuoso 5460P Wheelchair lifts (2) \$37,000 each (ADA)	73,603	84,795					-
2	24-17450-SCSRLF-01	FY23	OPER EQUIP (15)	26/32 scissor lift	40,000						-
2	24-17450-KARVAC-01	DB	OPER EQUIP (15)	Karcher (Waxie) Chariot Large Expanse Vacuum Cleaners (2) \$25K each	50,000	64,091					-
2	24-17450-LAWNMO-01	DB	OPER EQUIP (15)	Triplex Lawnmower (Defer to FY25 due to Lead Times)	50,000		53,949				53,949
2	24-17450-SCRUBR-01	DB	OPER EQUIP (15)	Tennant Scrubber T20 (Defer to FY25 due to Lead Times)	64,200	79,073					-
2	24-17450-SCRL40-01	VM	OPER EQUIP (15)	40' Scissor Lift	80,000	41,009					-
2	24-17450-BOBKAT-01	FY23	OPER EQUIP (15)	Bobcat SkidSteer S590 (Bucket, Grapple Bucket, Excavator, Stump Grinder)	95,000						-
3	24-17450-SWEEPR-01	DB	OPER EQUIP (15)	Tennant Sweeper, Large ride on, Tennant S30	39,000	62,087					-
3	24-17450-ELECRT-01	VM	OPER EQUIP (15)	Electric Carts at \$16K each	16,435	16,497					-
3	24-17450-ELECRT-02	VM	OPER EQUIP (15)	Electric Carts at \$16K each	16,435	16,497					-
3	24-17450-ELECRT-03	VM	OPER EQUIP (15)	Electric Carts at \$16K each	16,435	16,497					-
3	24-17450-ELECRT-04	VM	OPER EQUIP (15)	Electric Carts at \$16K each	16,435	16,497					-
3	24-17450-ELECRT-05	VM	OPER EQUIP (15)	Electric Carts at \$16K each	16,435	16,497					-
4	24-17450-EFRKLF-05	DB	OPER EQUIP (15)	Yale Electric Forklift with Charger	44,000	48,148					-
2	25-17450-SWEEPR-01	DB	OPER EQUIP (15)	Tennant 6100E Ride-On Sweepers (Replace 3 existing) \$31K each				93,000			93,000
2	25-17450-CARPEX-01	DB	OPER EQUIP (15)	Tennant R-14 Ride-On Carpet Extractors (Replace 3 existing) \$32K each				96,000			96,000
2	25-17450-ESCLN-01	DB	OPER EQUIP (15)	Rosemor Rotomatic Escalator Cleaner (Replace existing) \$42,000				42,000			42,000
3	25-17450-ATVVAC-01	DB	OPER EQUIP (15)	Chariot 3 CV86 ATV Lithium Ride-On Vacuum \$33,000				33,000			33,000
4	25-17450-RBVACM-05	DB	OPER EQUIP (15)	Robotic Vacuum (\$55k)						55,000	55,000
3	24-6140-05/24-60460-MAINT-07		OPER EQUIP (15)	Taylor Dunn 48V Bigfoot Cart		18,705					-

3-Year O&M Outlook Detail (Operating Equipment & Major Maintenance Projects)

FY2025 Board Approved Budget 03/27/24 - Revised 06/06/24

[Link to Table of Contents](#)

Priority	Budget ID	Owner	Asset Life	O&M Project Descriptions	FY2024 Budget	FY2024 Forecast	FY25 Carryover FY24 Commit	FY2025 Budget	FY2026 Projection	FY2027 Projection	FY25-FY27 O&M Total Budget
3	NP14-6140-02		OPER EQUIP (15)	Taylor Dunn 48V Bigfoot Cart		17,779					-
3	NP14-6140-02		OPER EQUIP (15)	Taylor Dunn 48V Bigfoot Cart		17,779					-
Total O&M Project:					617,978	515,951	53,949	264,000	-	55,000	372,949
Contingency Items											
N/A				Contingency Items					819,000	800,000	1,619,000
Total O&M Project:					-	-	-	-	819,000	800,000	1,619,000
Total O&M Projects					1,310,978	\$1,253,555	\$53,949	\$985,250	\$819,000	\$855,000	\$2,413,199
				To Be Debt Financed	\$0	\$0	\$0		\$0	\$0	\$0
Total O&M Projects - Net Cash Investment Needed					1,310,978	\$1,253,555	\$1,039,199		\$819,000	\$855,000	\$2,413,199

Agenda Item 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 June 12, 2024

RE: Recommendation to Authorize Approval of Contract for Temporary Staffing

BACKGROUND

The San Diego Convention Center Corporation (SDCC) hires nearly 250 temporary workers to support the Comic-Con event each year. This has traditionally been accomplished through a hybrid strategy involving internal recruitment efforts and external assistance. Over the past few years, SDCC has augmented some of its specialized cleaning services through an outsourced temporary assignment.

Beginning in 2024, staff aim to expand the temporary recruitment efforts by outsourcing all temporary positions through a centralized staffing agency model in the short term. This approach is projected to be cost-neutral in the short-term as outsourced contracted services are competitive to the fully burdened internal costs for direct labor needed while preserving administrative services to support other areas during this busy period while minimizing worker's compensation and unemployment insurance claim risk.

People Ready, a temporary staffing agency, has pledged to provide SDCC with up to 125 part-time temporary workers available to work six days to facilitate cleaning and guest services operations. SDCC has the option to retain up to twenty employees after the event without incurring a placement fee.

DISCUSSION

Staff comprised of members from the Human Resources and Venue Operations departments reviewed the scope of work and staffing levels to properly service the event. People Ready will be responsible for providing up to 125 part-time temporary workers for cleaning and guest services support, while Aramark will supplement these workers with 120 cleaning personnel. This collaborative effort will result in the recruitment of a total of 245 temporary staff members for the 2024 event.

To ensure the highest standards of safety and professionalism, People Ready will conduct background checks and provide necessary safety training for all personnel. People Ready will execute all aspects of hiring, discipline, and termination with SDCC onboarding temporary staff while retaining oversight to ensure compliance with Corporation guidelines and expectations.

People Ready shall comply with the City of San Diego Living Wage Ordinance (San Diego Municipal Code Article 2, Division 42, §§22.4201 through 22.4245) and issue payment to their employees accordingly at a minimum rate of \$20.42/hr. People Ready contracted rates are \$28.79 for straight time and \$39.01 for overtime per hour worked. This remains competitive with SDCC's fully burdened rate for internal candidates.

People Ready is regarded as an independent contractor. People Ready and its employees are not eligible for Corporation benefits and are not authorized to act as agents on behalf of the Corporation.

STAFF RECOMMENDATION

Staff recommends that the Board authorizes award of a contract to People Ready for temporary staffing for a not-to-exceed value of \$180,000 as included in the Revised FY2025 Budget.



Mardeen Mattix,
Chief Financial Officer



June 5, 2024

Equal Opportunity Contracting (EOC)
1200 Third Avenue, Suite 200
San Diego, CA 92101

Re: Work Force Report – PeopleReady

Dear Sir or Madam:

Please find attached the Work Force Report for PeopleReady, Inc. (Branches 1512 – La Mesa, 1521 – Chula Vista, and 1508 – San Diego).

The information provided has been combined and submitted for the PeopleReady branch work force. Should you have any questions, would like to discuss further, or require Managing Office Work Force data or additional data, please do not hesitate to contact me directly.

I can be reached via email at gbell@trueblue.com or by phone at 253-274-7059

Sincerely,

Greg Bell

Director and Assistant General Counsel, TrueBlue, Inc.

Enclosures

EQUAL OPPORTUNITY CONTRACTING (EOC)

1200 Third Avenue, Suite 200 • San Diego, CA 92101

Phone: (619) 236-6000 • Fax: (619) 236-5904

WORK FORCE REPORT

The objective of the *Equal Employment Opportunity Outreach Program*, San Diego Municipal Code Sections 22.3501 through 22.3517, is to ensure that contractors doing business with the City, or receiving funds from the City, do not engage in unlawful discriminatory employment practices prohibited by State and Federal law. Such employment practices include, but are not limited to unlawful discrimination in the following: employment, promotion or upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training, including apprenticeship. Contractors are required to provide a completed *Work Force Report (WFR)*.

NO OTHER FORMS WILL BE ACCEPTED

CONTRACTOR IDENTIFICATION

Type of Contractor: ☐ Construction ☐ Vendor/Supplier ☐ Financial Institution ☐ Lessee/Lessor
☐ Consultant ☐ Grant Recipient ☐ Insurance Company ☐ Other

Name of Company: PeopleReady, Inc.

ADA/DBA: _____

Address (Corporate Headquarters, where applicable): 1015 A st.

City: Tacoma County: Pierce County State: WA Zip: 98402

Telephone Number: 253-383-9101 Fax Number: _____

Name of Company CEO: Taryn Owen

Address(es), phone and fax number(s) of company facilities located in San Diego County (if different from above):

Address: 4950 Waring rd. Unit 6

City: San Diego County: San Diego State: CA Zip: 92120

Telephone Number: 619-294-5933 Fax Number: _____ Email: 1558-br@peopleready.com

Type of Business: Temporary Employment Agency Type of License: Business License

The Company has appointed: Monica Tarczynski, Deputy General Counsel TrueBlue, Inc.

As its Equal Employment Opportunity Officer (EEOO). The EEOO has been given authority to establish, disseminate and enforce equal employment and affirmative action policies of this company. The EEOO may be contacted at:

Address: 1015 A Street Tacoma, WA 98402

Telephone Number: 253-680-8470 Fax Number: 800-773-4747 Email: LegalDepartment@trueblue.com

☐ One San Diego County (or Most Local County) Work Force - Mandatory

☒ Branch Work Force *

☐ Managing Office Work Force

Check the box above that applies to this WFR.

*Submit a separate Work Force Report for all participating branches. Combine WFRs if more than one branch per county.

I, the undersigned representative of TrueBlue, Inc. / PeopleReady, Inc.
(Firm Name)

Pierce, Washington hereby certify that information provided
(County) (State)

herein is true and correct. This document was executed on this 5th day of June, 2024

Greg Bell
(Authorized Signature)

Greg Bell
(Print Authorized Signature Name)

WORK FORCE REPORT – Page 2

NAME OF FIRM: PeopleReady, Inc

DATE: 6/5/2024

OFFICE(S) or BRANCH(ES): 1512 - La Mesa, 1521 - Chula Vista, 1558 - San Diego

COUNTY: San Diego

INSTRUCTIONS: For each occupational category, indicate number of males and females in every ethnic group. Total columns in row provided. Sum of all totals should be equal to your total work force. Include all those employed by your company on either a full or part-time basis. The following groups are to be included in ethnic categories listed in columns below:

- | | |
|--------------------------------------|---|
| (1) Black or African-American | (5) Native Hawaiian or Pacific Islander |
| (2) Hispanic or Latino | (6) White |
| (3) Asian | (7) Other race/ethnicity; not falling into other groups |
| (4) American Indian or Alaska Native | |

Definitions of the race and ethnicity categories can be found on Page 4

ADMINISTRATION OCCUPATIONAL CATEGORY	(1) Black or African American		(2) Hispanic or Latino		(3) Asian		(4) American Indian/ Nat. Alaskan		(5) Pacific Islander		(6) White		(7) Other Race/ Ethnicity	
	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)	(M)	(F)
Management & Financial			1								1	1		
Professional														
A&E, Science, Computer														
Technical														
Sales														
Administrative Support		1	1	1								1		1
Services														
Crafts														
Operative Workers														
Transportation														
Laborers*														

*Construction laborers and other field employees are not to be included on this page

Totals Each Column		1	2	1							1	2		1
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Grand Total All Employees

8

Indicate by Gender and Ethnicity the Number of Above Employees Who Are Disabled:

Disabled		0	0	0							0	0		0
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Non-Profit Organizations Only:

Board of Directors														
Volunteers														
Artists														