

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

**Director Carlos Cota, Chair
Director Jeff Gattas
Director Shawn VanDiver**

**MONDAY, OCTOBER 18, 2021, 10:00 A.M.
111 W. Harbor Drive, Executive Boardroom
San Diego, California 92101**

AGENDA

Pursuant to Governor Newsom's Executive Orders N-29-20 and N-08-21, 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 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:** Carlos Cota, 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. **Approve minutes of June 21, 2021 Audit Committee Meeting**

4. **Chair's Report**

5. **Action Item:**

a. **Recommendation to Authorize Acceptance of Audited Annual Financial Report for the Fiscal Year Ended June 30, 2021**

6. **Staff Updates:**

a. **Management Update – Rip Rippetoe**

(1) **Review Employment of Relative Policy (No. 215)**

b. **SDCCC Fraud/Complaints Update** – Rip Rippetoe

c. **Finance Update** – Mardeen Mattix

(1) Review of Year- to-Date Financial Variances

7. **Audit 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. **Audio copies of Board of Director meetings are available upon request. Please contact Pat Evans at (619)525-5131 or pat.evans@visitsandiego.com to request a copy.**

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. 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
AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS**

MONDAY, JUNE 21, 2021, 10:00 A.M.
111 W. Harbor Drive, 2nd Floor, Executive Boardroom
San Diego, California 92101

Director Carlos Cota, Chair
Director Jeff Gattas
Director Shawn VanDiver

**BOARD MEMBERS
PRESENT:**

Chair Carlos Cota and Directors Xema Jacobson and Jeff Gattas

**BOARD MEMBERS
ABSENT:**

STAFF PRESENT:

Rip Rippetoe, Mardeen Mattix, Karen Totaro, Anastasia Rollins
and Pat Evans (Recorder)

ALSO PRESENT:

Mia Harenski and Raeleen Weiss of Considine & Considine

1. Call to Order:

Chair Carlos Cota called the meeting to order at 10:06 a.m. in the Executive Conference Room of the San Diego Convention Center Corporation, San Diego, California. All of the Committee members were present.

Chair Cota 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 Cota - Present
Director Gattas – Present
Director VanDiver - Present

All votes taken at today's meeting will be recorded via roll-call vote.

2. Non-Agenda Public Comment – None

3. **Approve minutes of Audit Committee Meeting of January 19, 2020.**

Directors Gattas and VanDiver moved and seconded, respectively, to approve the minutes of the meeting of January 19, 2020.

Director Cota - Aye
Director Gattas- Aye
Director VanDiver - Aye

Vote unanimous.

AYES: 3 NAYS: 0 ABSTENTIONS: 0

4. **Chairs Report:** Chair Cota thanked staff and credited them for their ability to pivot and adjust to the COVID guidelines and for getting the Corporation prepared to reopen safely.

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

(A) **Recommendation to Authorize Acceptance of Money Purchase Pension Plan Audited Financial Report for the Plan Year Ended December 31, 2020**

Ms. Mattix reported there was one notable correction to the report. Staff discovered that SDCCC had been charged \$35,767.06 in administrative fees in error. Wells Fargo applied another client's fees to SDCCC's account and Wells Fargo will reimburse these fees to SDCCC. (See note 3 re: Administrative Expenses.)

Directors VanDiver and Gattas moved and seconded, respectively, to recommend Authorizing Acceptance of Money Purchase Pension Plan Audited Financial Report for the Plan Year Ended December 31, 2020.

Director Cota - Aye
Director Gattas - Aye
Director VanDiver- Aye

Vote unanimous.

AYES: 3 NAYS: 0 ABSTENTIONS: 0

(B) Recommendation to Accept Revisions to San Diego Convention Center Corporation COVID-19 – Interim Personnel Policy – California Supplemental Paid Sick Leave (SB95)

Directors VanDiver and Gattas moved and seconded, respectively, to recommend Accepting Revisions to San Diego Convention Center Corporation COVID-19 – Interim Personnel Policy – California Supplemental Paid Sick Leave (SB95).

**Director Cota - Aye
Director Gattas - Aye
Director VanDiver- Aye**

Vote unanimous.

AYES: 3 NAYS: 0 ABSTENTIONS: 0

(C) Recommendation to Accept Revisions to San Diego Convention Center Corporation COVID-19 – Interim Personnel Policy – Families First Coronavirus Response Act (FFCRA)

Directors VanDiver and Gattas moved and seconded, respectively, to recommend Accepting Revisions to San Diego Convention Center Corporation COVID-19 – Interim Personnel Policy – Families First Coronavirus Response Act (FFCRA).

**Director Cota - Aye
Director Gattas - Aye
Director VanDiver- Aye**

Vote unanimous.

AYES: 3 NAYS: 0 ABSTENTIONS: 0

(D) Recommendation to Accept Revisions to the San Diego Convention Center Corporation Policy re: Wardrobe & Grooming Policies for Uniformed and Non-Uniformed Staff

Directors VanDiver and Gattas moved and seconded, respectively, to recommend Accepting Revisions to the San Diego Convention Center Corporation Policy re: Wardrobe & Grooming Policies for Uniformed and Non-Uniformed Staff.

**Director Cota - Aye
Director Gattas - Aye
Director VanDiver- Aye**

Vote unanimous.

AYES: 3

NAYS: 0

ABSTENTIONS: 0

(E) Recommendation to Approve New San Diego Convention Center Corporation Injury and Illness Prevention Program

Directors Gattas and VanDiver moved and seconded, respectively, to recommend Approval of the New San Diego Convention Center Corporation Injury and Illness Prevention Program.

Director Cota - Aye
Director Gattas - Aye
Director VanDiver- Aye

Vote unanimous.

AYES: 3

NAYS: 0

ABSTENTIONS: 0

(F) Recommendation to Approve New San Diego Convention Center Corporation Coronavirus Prevention Program

Directors Gattas and VanDiver moved and seconded, respectively, to recommend Approval of the New San Diego Convention Center Corporation Coronavirus Prevention Program.

Director Cota - Aye
Director Gattas - Aye
Director VanDiver- Aye

Vote unanimous.

AYES: 3

NAYS: 0

ABSTENTIONS: 0

6. Staff Updates:

a. **Management Update** – Mr. Rippetoe reported:

- Staff is in receipt of the Governor’s Executive Order regarding face covering and they are awaiting responses from our clients regarding how the clients wish to address the issue. If client’s request face coverings during their events, the Corporation will require staff to wear those coverings.
- The Emergency Intake site is on schedule with their demobilization.
- SDCCC will be inviting all remote workers back on site on July 19, 2021 (after closure of the Emergency Intake site). The venue will officially be

open to the public on July 19th. Staff will establish a refined work-from-home policy that will allow some team members to work remotely as needed.

- Refinement of the Strategic Plan is continuing. Staff reengaged with the retreat consultant during a two-hour meeting to work on the KPIs. Another meeting with the consultant is scheduled for next week.
- SDCCC lost a long-term member of our third-shift team due to a medical emergency on Friday of last week. The Corporation is providing counseling resources to team members impacted by the experience.

b. **SDCCC Fraud/Complaints Update** - Mr. Rippetoe reported that the “fraud line” has received no complaints.

c. **Finance Update** – Ms. Mattix reported the following:

- The April and May financials will be forwarded to Directors this afternoon.
- The financials are tracking as expected. Staff will review the revised budget for fiscal year 2022 at the Board meeting tomorrow.
- Staff anticipates a reserve balance of approximately \$15 – 16 million at the year of the year.
- Staff has not used any contingency funds from the Emergency Intake Site project.
- Staff has not yet successfully submitted an invoice for EIS. Staff is experiencing issues related to the Corporation’s Dunn & Bradstreet number; however, the matter should be resolved soon and Staff should be able to submit a full invoice (\$18 million) by mid-July. Staff expects payment within 30 days of issuing the invoice.
- Staff also expects to HHS to fund the cost related to decontamination of the building since the entire facility was used during the Emergency Intake operation.

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

8. **Audit Committee Comment:** **None**

There being no further business, the meeting adjourned at 10:52 a.m.

CERTIFICATION

I, Carlos Cota, Chair of the Audit Committee of the Board of 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 Audit Committee of the Board of Directors of the San Diego Convention Center Corporation, Inc. at a duly noticed meeting held on June 21, 2020

Carlos Cota, Chair

Agenda Item 5.a

**SAN DIEGO CONVENTION CENTER CORPORATION
MEMORANDUM**

TO: Audit Committee

FROM: Mardeen Mattix, Chief Financial Officer

DATE: For the Agenda of October 18, 2021

RE: Review Draft FY 2021 Audited Annual Financial Report

BACKGROUND

The City Charter requires an annual independent audit of all accounts and books of the City of San Diego and its related entities, including the San Diego Convention Center Corporation. By agreement with the City, the Corporation is required to present its audited financial statements annually to its Board of Directors.

San Diego City Council awarded a contract for FY2019 – FY2023 financial audit services to Macias Gini & O’Connell, LLP (MGO). To maintain consistency of reporting and to piggyback on the City of San Diego contract, SDCC also engaged in a single source contract for the period May 1, 2019 – April 30, 2024 (FY2019 – FY2023).

DISCUSSION

MGO completed the audit of the Corporation’s financial statements for the year ended June 30, 2021. The draft FY 2021 Audited Financial Report along with the supplemental SAS 114 “Communication to the Board” Letter is included with this communication. The audit engagement partner, Peter George, is scheduled to attend the Audit Committee Meeting (via GoToMeeting) to review the audit results with the Committee as well as attend the scheduled board meeting at the end of the month.

RECOMMENDATION:

Staff recommends to the Board of Directors to accept the FY2021 Audited Financial Report for approval at the October 26, 2021 board meeting.

/s/

Mardeen Mattix
Chief Financial Officer