

**SAN DIEGO CONVENTION CENTER CORPORATION
BOARD OF DIRECTORS MEETING**

**WEDNESDAY, FEBRUARY 23, 2022, NOON
111 W. Harbor Drive, 2nd 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 – Carol Kim, Chair**
- 2. Non-Agenda Public Comments**

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 are not on the posted agenda. Pursuant to the Brown Act, no discussion or action shall be taken by the Board on items not posted on the agenda.

- 3. Board Committee Reports and Board Action Items**

Consent Agenda:

- A. Approval of Minutes of Board Meeting of January 26, 2022**
- B. Authorization to Approve a Resolution of the San Diego Convention Center Corporation, Inc., Extending the Authorization of All or Partial Remote Teleconference Meetings of All Legislative Bodies as Needed During the Covid-19 Local and State Emergency through March 25, 2022 Pursuant to Brown Act Provisions.**

Action Item(s):

- C. Budget Committee (Jeff Gattas)**

- (1) Acceptance of January Financial Reports from Chief Financial Officer**
- (2) Authorization to Contract for East Building Fire Alarm Improvements**

**(3) Authorization to Contract for Replacement of Dewatering Pumps in
Remaining Three Pump Stations**

4. **President's Report** (Rip Rippetoe)
5. **Chair's Report** (Carol Kim)
6. **Board Comment** [Govt. Code § 54954.2(a)(2)]
7. **Urgent non-agenda items** (must meet the requirements of Government Code, Section 54954.2)
8. **Closed Session**
 - A. **CONFERENCE WITH LEGAL COUNSEL---ANTICIPATED LITIGATION**
Initiation of litigation pursuant to Government Code section 54956.9(d)(4)
(1 case)
 - B. **EMPLOYEE PERFORMANCE EVALUATION**
Government Code Section 54957
Title: President & CEO

Adjournment

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

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.A

MINUTES* SAN DIEGO CONVENTION CENTER CORPORATION THE BOARD OF DIRECTORS

BOARD MEETING OF JANUARY 26, 2022 Via Teleconference

BOARD MEMBERS PRESENT: Chair Carol Kim and Directors Carlos Cota, Jeff Gattas, Shawn VanDiver and Elvin Lai

BOARD MEMBER(S) ABSENT: Directors Jaymie Bradford and Will Rodriguez-Kennedy

STAFF PRESENT: Rip Rippetoe, Mardeen Mattix, Andy Mikschl and Pat Evans (Recorder)

ALSO PRESENT: Jennifer Lyon, General Counsel, Julie Coker, SDTA President & CEO

*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.

1. Call to Order

Chair Carol Kim called the Board Meeting to order at 12:03 p.m. in the Executive Boardroom of the San Diego Convention Center Corporation, 111 West Harbor Drive, San Diego, CA 92101. Chair Kim then called roll to determine which Directors were present on the teleconference:

Director Kim – Present
Director Cota – Present
Director Gattas – Present
Director VanDiver – Present
Director Bradford – Absent
Director Rodriguez-Kennedy – Absent
Director Lai – Present

All Directors were recorded as present except Director Bradford and Director Rodriguez-Kennedy. Chair Kim noted that all votes taken during this meeting would be recorded via roll call vote.

2. Non-Agenda Public Comment – Chair Kim inquired if any member of the public wished to comment on any Agenda items. No members of the public responded to the request for comment.

3. Board Committee Reports and Board Action Items:

Consent Agenda:

- A. Approval of Minutes of Board Meetings of December 14, 2021 and “Special” Board Meeting of January 7, 2022**
- B. Authorization to Approve a Resolution of the San Diego Convention Center Corporation, Inc., Extending the Authorization of All or Partial Remote Teleconference Meetings of All Legislative Bodies as Needed During the Covid-19 Local and State Emergency through February 25, 2022 Pursuant to Brown Act Provisions.**

Directors Lai and VanDiver moved and seconded, respectively, to approve the Consent Agenda set forth hereinabove.

**Director Kim – Aye
Director Cota – Aye
Director Gattas – Aye
Director VanDiver – Aye
Director Bradford – Absent
Director Rodriguez-Kennedy – Absent
Director Lai – Aye**

Vote: Unanimous

AYES: 5 NAYS: 0 ABSTENTIONS: 0

Action Item(s):

Chair Kim inquired if any member of the public wished to comment on Agenda Item 3.C.1. No members of the public responded to the request for comment.

C. Budget Committee (Jeff Gattas)

(1) Acceptance of November and December Financial Reports from Chief Financial Officer

CFO Mardeen Mattix issued the following report:

- Regarding the November and December financials, things were looking up, but then December hit and the Corporation didn't have much event activity so we started to see a decline in our overall operation.
- Through the first half of the year, overall, we have experienced an operational loss of \$4.3 million. The loss is better than we expected, so that's good news.
- Revenues had performed pretty well compared to budget through the first half of the year, and expenses are right on target to forecast with the \$2 million change that we initiated in the compensation line items. We are on target to hit expenses through the end of the year as budgeted.

- Staff is currently expecting a shortfall of approximately \$7 million through the end of January and, possibly, a shortfall of up to an \$8 million in February mostly attributable to events postponing or event attendance not resurging as well as we had hoped it would at this point due to the omnicron variant. We believe that from March through June we'll start to see better event attendance and we'll make up for some of that deficit.
- Right now, we've been coordinating with the City regarding what we are going to do about funding the operational deficit. So far, the Corporation has been able to absorb the cash shortage or the operational shortage through our cash reserves; however, we are still asking the City for the \$10.2 two million operational subsidy because there is still so much that is unknown regarding the resumption of events.
- The Corporation will likely fund approximately \$6 or \$7 million of the 10.2 million that the City has allocated for us sometime in the spring. At that time, we will reevaluate where we stand and what we're projecting for the rest of the year.
- Sometime in March, the Corporation plans on presenting a midyear report to the full City council in conjunction with City representatives.
- The Corporation's on-gong funding from the City will likely be decided and at that time.
- The Corporation's reserves are still looking healthy. The reserves are currently approximately \$19 million and the Corporation's reserve target balance is typically from \$9 to \$10 million.
- Everyone should note that even though the reserves look really healthy, Staff has just received a copy of a commissioned facility condition report. Staff is still reviewing the report and we intend to bring that matter to the Board for discussion purposes. The report will initially be reviewed by the Budget Committee next month but we do have significant needs to be considered over the five to ten years, specifically.
- The City is also aware that the Corporation has received the facility condition report and that we are evaluating it right now. The City is prepared to assist the Corporation in the best manner that they can.

Directors Gattas and Cota moved and seconded, respectively, to authorize Acceptance of November and December Financial Reports from Chief Financial Officer.

Director Kim – Aye

Director Cota – Aye

Director Gattas – Aye

Director VanDiver –Aye

Director Bradford – Absent

Director Rodriguez-Kennedy – Absent

Director Lai – Aye

Vote: Unanimous

AYES: 5

NAYS: 0

ABSTENTIONS: 0

Chair Kim inquired if any member of the public wished to comment on Agenda Item 3.C.2. No members of the public responded to the request for comment.

(2) Authorization to Approve Contract for Roof Consultant

Directors Gattas and Cota moved and seconded, respectively, to authorize Approval of Contract for Roof Consultant.

**Director Kim – Aye
Director Cota – Aye
Director Gattas – Aye
Director VanDiver –Aye
Director Bradford – Absent
Director Rodriguez-Kennedy – Absent
Director Lai – Aye**

Vote: Unanimous

AYES: 5 NAYS: 0 ABSTENTIONS: 0

Chair Kim inquired if any member of the public wished to comment on Agenda Item 3.D.1. No members of the public responded to the request for comment.

D. Audit Committee (Jaymie Bradford)

(1) Authorization to Place Employee Medical and Employer Paid Basic Life, AD&D and LTD Insurance through Marsh & McLennan Agency LLC Company

Directors VanDiver and Gattas moved and seconded, respectively, to authorize Placement of Employee Medical and Employer Paid Basic Life, AD&D and LTD Insurance through Marsh & McLennan Agency LLC Company.

**Director Kim – Aye
Director Cota – Aye
Director Gattas – Aye
Director VanDiver –Aye
Director Bradford – Absent
Director Rodriguez-Kennedy – Absent
Director Lai – Aye**

Vote: Unanimous

AYES: 5 NAYS: 0 ABSTENTIONS: 0

Chair Kim inquired if any member of the public wished to comment on Agenda Item 3.E.1. No members of the public responded to the request for comment.

E. Sales & Marketing Committee (Carlos Cota)

(1) Authorization to Approve Contract for Sales & Marketing Services with San Diego Tourism Authority

Directors VanDiver and Cota moved and seconded, respectively, to authorize approval of Contract for Sales & Marketing Services with San Diego Tourism Authority and to recommend that the San Diego City Council approve said Contract.

Director Kim – Aye

Director Cota – Aye

Director Gattas – Aye

Director VanDiver – Aye

Director Bradford – Absent

Director Rodriguez-Kennedy – Absent

Director Lai – Aye

Vote: Unanimous

AYES: 5

NAYS: 0

ABSTENTIONS: 0

4. President's Report (Rip Rippetoe) – Mr. Rippetoe reported:

- Mr. Rippetoe introduced the new Director of Government and Community Affairs, Juan Reyes. Mr. Reyes joined the staff on January third and has just been a great addition to the team.
- Mr. Rippetoe also commented on how the newly adopted Strategic Plan is being incorporated into day-to-day functions by senior staff. There will be a company-wide meeting next month that will introduce the plan to the entire staff. Staff is already making significant progress in a couple of areas and a more formal status report will be provided at the March Board meeting.
- Staff is the middle of the search for the Corporation's new Director of People and Culture. Kimberly Cruz, a People and Culture Recruiter, is heading up that process. That department's staff was cut in half during the pandemic and they still have a strong commitment to their jobs and are making great progress despite the staffing shortage. We have great candidates for the Director position and we'll make a final selection soon.
- The Corporation has hired a new Director that reports to Corey Albright to assist with CIP projects and planning. The Corporation will also be moving forward with hiring a Director of Maintenance with the appropriate engineering expertise that is needed in both CIP and maintenance areas.
- Staff is taking steps so that we can get ahead of the recommendations made in the facility assessment report and also to be able to communicate our needs to the City and to understand the City's expectations with regard to the assessment.
- Mr. Rippetoe will be out of the office from tomorrow through next Tuesday and will delegate signature authority to Ms. Mattix or, in her absence, Mr. Mikschl in the case of an emergency.

5. **Chair's Report (Carol Kim)**

- Ms. Kim acknowledged the tremendous amount of work that's gone into the items that were presented to the Board today and she thanked the Staff, Board members, our partners for allowing us to get here. She also encouraged everyone to continue to “keep our nose to the grindstone” and continue to work on these matters.
- The Board is looking forward to a more formal report on status of the strategic plan to keep it updated on changes that occur.
- Ms. Kim would also like to see how the new Director hires will fit into the organizational staffing chart and how those hires will impact the imperatives in the Strategic Plan.
- The next board meeting, though, is February 23rd, 2022 at noon

6. **Board Comment [Govt. Code § 54954.2(a)(2)] - None**

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

8. **Closed Session:** The Board entered into closed session at 1:20 p.m. to discuss:

- A. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2)(1 case)
Existing facts and circumstances pursuant to GC 54956.9(e)(1)
- B. EMPLOYEE PERFORMANCE EVALUATION**
Government Code Section 54957
Title: President & CEO

The Board returned to open session at 1:47 p.m.

Reporting out of closed session, General Counsel Lyon stated that the Board discussed item “7A” and direction was given but no reportable action was taken. Discussion regarding item “7B” was continued to a future Board meeting.

There being no further business, the meeting adjourned at 1:48 p.m.

I, Shawn VanDiver, Secretary of the Board of Directors of the 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 Board of Directors of the San Diego Convention Center Corporation, Inc., at a duly noticed meeting held on January 26, 2022 and that said minutes were approved by the Board of Directors on February 23, 2022.

Shawn VanDiver, Secretary

Agenda Item 3.B

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

TO: Board of Directors

FROM: Jennifer Lyon, General Counsel

DATE: For the Agenda of February 23, 2022

RE: A RESOLUTION OF THE SAN DIEGO CONVENTION CENTER CORPORATION, INC. EXTENDING THE AUTHORIZATION FOR ALL OR PARTIAL REMOTE TELECONFERENCE MEETINGS OF ALL LEGISLATIVE BODIES AS NEEDED DURING THE COVID-19 LOCAL AND STATE EMERGENCY THROUGH March 25, 2022 PURSUANT TO BROWN ACT PROVISIONS.

BACKGROUND

On March 17, 2020 the Governor issued Executive Order N-29-20 related to the COVID-19 pandemic. Pursuant to his Executive Order certain requirements under the Ralph M. Brown Act ("Brown Act") that govern the procedure for public meetings were suspended allowing legislative bodies of agencies across the State to conduct meetings remotely. Executive Order N-29-20 expired on September 30, 2021. On September 16, 2021, the Governor signed into law AB 361 which amends the Brown Act to allow continued flexibility for conducting public meetings. AB 361 was effective on October 1, 2021.

DISCUSSION

AB 361 amended Government Code section 54953 of the Brown Act to allow virtual public meetings through January 1, 2024 in any of the following circumstances:

- The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.
- The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

- The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

These circumstances allow public agencies to hold entirely virtual and partially virtual public meetings during the current pandemic while California is in a proclaimed state of emergency. If a public meeting is held virtually under the new provisions of AB 361, the agenda must still be posted under the appropriate timelines: 72 hours in advance for a regular board meeting, and 24 hours in advance for a special meeting. The agenda must include the meeting link or dial-in, so that members of the public may access the meeting electronically. Also, the following are requirements under AB 361 for public comments during virtual meetings:

- Members of the public must be allowed to directly address the legislative body or board in real-time during the meeting.
- Legislative bodies or boards can no longer require public comments to only be submitted in writing in advance.
- When legislative bodies or boards use agenda items with timed public comment periods, they must allow those time limits to expire before closing public comment.
- When legislative bodies or boards take public comment separately on each agenda item, they must allow a reasonable amount of time per agenda item.
- In the event the meeting broadcast is disrupted, or if a technical issue on the agency's end disrupts public comment, the legislative body or board cannot take any further action on the agenda until the technical issue is resolved.

Most significantly, to continue to hold virtual meetings under AB 361 when a state of emergency remains active, the legislative body/board must make findings every 30 days that:

- The legislative body/board has reconsidered the circumstances of the state of emergency; and
- The state of emergency continues to directly impact the ability of the members to meet safely in person or state or local officials continue to impose or recommend measures to promote social distancing.

On September 28, 2021, the Board approved the first resolution to allow for remote meetings. Pursuant to subsequent resolutions adopted by the Board, the terms are continued through February 25, 2022. The attached Resolution includes the necessary findings to allow the Board, and all of its standing committees, to extend the authorization to continue to meet all or partially in a virtual mode while this local and state emergency continues through at least March 25, 2022. The attached Resolution shows that the Board did reconsider the resolutions approved by the Board to allow for this process. The Resolution includes the fact that the State of California and the City of San Diego declared emergencies in March of 2020 and that those emergency declarations are still in effect.

Additionally, local conditions still require necessary precautions related to COVID-19 because state and/or local officials have imposed or recommended measures to promote social distancing, such as when there have been recent exposures to COVID-19 positive individuals or persons are experiencing any symptoms of illness. Also, having the legislative bodies of the San Diego Convention Center Corporation conduct in-person meetings at this time would present imminent risks to the health and safety of attendees due to the small size of the Board meeting room, the unknown number of attendees, the potential need for booster shots, the contagious nature of the Omicron variant and other COVID-19 variants, the unknown vaccination status of members of the public who might attend meetings, and the need for a specific number of directors to be present during a meeting to have a quorum for the conduct of business. This Resolution does not mandate that all public meetings be virtual public meetings; it merely lays the framework to allow for all virtual or partially virtual meetings during this pandemic.

Please note that these public meetings under the Brown Act are drastically different than the conventions that are held in the Center because the conventions are held in large areas of the Center and are not freely accessible to the public. The conventions are held under State requirements at this time which require proof of vaccine status or negative COVID-19 tests for attendance at the conventions. Those same requirements are not in place for members of the public who might attend a Board meeting. Additionally, a person can choose not to attend a convention if they are sick or have been exposed to a person with COVID-19. Directors are required to attend Board meetings because the Board needs a quorum to transact its business.

STAFF RECOMMENDATION

Staff recommends that the Board approve the attached Resolution.

Attachment:

1. Corporation Resolution

RESOLUTION NO. 2022-03

A RESOLUTION OF THE SAN DIEGO CONVENTION CENTER CORPORATION, INC. EXTENDING THE AUTHORIZATION FOR ALL OR PARTIAL REMOTE TELECONFERENCE MEETINGS OF ALL LEGISLATIVE BODIES AS NEEDED DURING THE COVID-19 LOCAL AND STATE EMERGENCY THROUGH MARCH 25, 2022 PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the San Diego Convention Center Corporation (“SDCCC”) is committed to preserving and nurturing public access and participation in meetings of SDCCC and its advisory bodies/standing committees;

WHEREAS, all meetings of SDCCC’s legislative bodies, as defined in the Ralph M. Brown Act (“Brown Act” Cal. Gov. Code 54950 – 54963), are open and public so that any member of the public may attend, participate, and observe the bodies conduct their business;

WHEREAS, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body and the public, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions;

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558;

WHEREAS, it is further required that state and/or local officials have imposed or recommended measures to promote social distancing, and that the legislative body meeting in-person would present imminent risks to the health and safety of attendees;

WHEREAS, a state of emergency was proclaimed on March 4, 2020 by the Governor of the State of California as a result of the threat of COVID-19, and the City of San Diego proclaimed a local state of emergency related to COVID-19 on March 12, 2020 which has been continued regularly thereafter as required by law;

WHEREAS, the state of emergency continues to exist at a State and local level and the Board has reconsidered the circumstances of the emergency;

WHEREAS, orders from state and/or local officials continue to recommend social distancing measures to prevent an imminent risk to health and safety as a result of COVID-19;

WHEREAS, as a consequence of the state and local emergency, the Board does hereby find that the legislative bodies of SDCCC, as defined in the Brown Act, may conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953;

WHEREAS, the agendas for all remote meetings of SDCCC’s legislative bodies shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option and provide a method for real-time public comments as required by law; and

WHEREAS, the Board approved the initial resolution pursuant to Government Code section 54953(e) on September 28, 2021 and has reconsidered it and extended it at least every 30 days since that time.

NOW, THEREFORE, be it resolved by the Board of Directors of the San Diego Convention Center Corporation (the “Board”) as follows:

1. Recitals. The recitals set forth above are true and correct and are incorporated into this Resolution as findings.
2. Reconsideration of State of Emergency. The Board continues to acknowledge the Governor’s Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020, and the City of San Diego Mayor’s Proclamation of State of Emergency, effective March 12, 2020 which have been continued regularly thereafter. The Board has reconsidered the circumstances of this state of emergency.
3. Social Distance Measures and Risks: The Board finds that the state of emergency continues to directly impact the ability of the members to meet safely in person. The Board further finds that state and/or local officials continue to impose or recommend measures to promote social distancing to reduce exposure to COVID-19 and its transmission, such as when there have been recent exposures to COVID-19 positive individuals or persons are experiencing any symptoms of illness. In compliance with recommended or mandated state and/ or local social distancing measures, the Board further finds that having the legislative bodies of the San Diego Convention Center Corporation conduct in-person meetings at this time would present imminent risks to the health and safety of attendees due to the small size of the Board meeting room, the unknown number of attendees, the potential need for booster shots, the contagious nature of the Omicron variant and other COVID-19 variants, the unknown vaccination status of members of the public who might attend meetings, and the need for a specific number of directors to be present during a meeting to have a quorum for the conduct of business.
4. Remote Teleconference Meetings. The President & CEO, or designee, and the legislative bodies of the San Diego Convention Center Corporation are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) as needed and other applicable provisions of the Brown Act.

5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption. This Resolution applies for the time period through March 25, 2022. The Board may extend the terms of this Resolution as required by law every 30 days.

PASSED, APPROVED and ADOPTED this 23rd day of February, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Carol Kim, Board Chair

ATTEST:

Shawn VanDiver,
Secretary of the Board

Agenda Item 3.C.2

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

TO: Board of Directors

FROM: Jeff Gattas, Budget Committee Chair

DATE: For the Agenda of February 23, 2022

RE: Authorization to Contract for East Building Fire Alarm Improvements.

BACKGROUND

On September 21, 2016, Staff contracted with Siemens Industry Inc. for the installation of a replacement fire alarm system throughout the convention center. This project excluded existing east building addressable devices (smoke, heat, duct sensors, etc.) and notification devices (visual strobes and audio speakers) since they had remaining useful life at the time of the project.

DISCUSSION

The east building devices are now at the end of useful life with the sensors no longer being manufactured and unavailable for necessary replacements. Staff anticipated upgrading the east building sensors and notification devices in FY22 and budgeted \$500,000 in repair and maintenance – fire system. This purpose of this project is to upgrade the sensors and notification devices to match the modern technology previously installed in the west building.

Due to the proprietary nature of the system, Staff solicited proposals from the local Siemens direct branch and authorized Siemens Solutions Partners to upgrade the sensors and notification devices and received a proposal from Sygnal Systems for \$524,480.00, including an allowance of \$26,900 for after-hours shift differential pay to be used as needed.

Staff recommends award of a contract to Sygnal Systems for \$524,480.00 with an additional 7% (\$36,713.60) contingency for unforeseen conditions.

STAFF RECOMMENDATION

Approve authorization to contract with Sygnal Systems for east building fire alarm system improvements for \$524,480.00 with an additional 7% contingency for unforeseen conditions.

_____/s/
Jeff Gattas
Budget Committee Chair

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

BACKGROUND

DISCUSSION

STAFF RECOMMENDATION

/s/

 Jeff Gattas,
 Budget Committee Chair

Agenda Item 4

SAN DIEGO CONVENTION CENTER CORPORATION MEMORANDUM

TO: Board of Directors

FROM: Rip Rippetoe, President & CEO

DATE: February 23, 2022

RE: February 2022 President & Staff Report

Core Value: Service – If you aren’t serving our customers, serve someone who is.

People and Culture:

- HR has been re-branded as the “People and Culture” Department.
- We are conducting final interviews for the new Director of the People and Culture Department. We expect that person to be on board in April.
- We have developed recruitment cards that we can hand out all around town:

Recruitment Cards



Finance/Accounting/IT/Strategic Focus:

See memo attached in the packet after CEO/Staff report.

Agenda Item 4

Business Development:

- We are working with Digital Conventions and SDTA to finalize an agreement for digital advertising. Eleven new digital screens have been installed at key locations throughout the building which will be available for digital advertisers. SDTA will sell and promote signage opportunities to local advertisers through their existing sales program, with the goal of having advertisers on board by Q2 of this year. This program will provide local hospitality partners' exposure to our convention attendees and increase revenues for the Corporation generated by our existing digital signage program.

Sales:

- We are working with SDTA and SDCC on the FY23 Program of Work which will be presented to SDCC Sales Committee in March.
- We are negotiating/finalizing numerous client license agreements for future events.
- We are negotiating with confirmed clients for '22 on revised space and contractual terms, to account for changes to event formats and attendance estimates.
- There are ongoing meetings with consultant regarding eventual Venue Ops conversion, for both sales process and event license agreement process. We plan to migrate to the new system sometime in Q2 of '22.
- We participated in the SDTA client town hall to update clients on building activity and changing Covid protocols.

Event Management:

- There are ongoing joint client calls to communicate updated and changing Covid protocols and requirements.
- Significant site inspection activity is occurring with clients doing pre-planning meetings for upcoming events.
- We continue to meet with the Venue Ops consultant in anticipation of potential conversion to new event management software system.
- We are working with ops and events staff to finalize FY23 pricing for ancillary services.

Venue Operations:

- 1st quarterly report was sent to Fire Marshal regarding our fire doors upgrades, maintenance, and repairs.
- Donald, Ron, Daren, Laura, and Carpenter staff completed training and certification of NFPA 80 – standards for fire doors.
- A meeting was conducted with full building consultant to refine long term capital and maintenance requirements for the site.
- Renovation of 7 planter beds on Mezzanine deck 50% completion. Renovation is to prevent water infiltration into building. The excavation complete, waterproofing by contractor and installation of new drainage system is in progress.

Agenda Item 4

- The vandalized glass on elevator P- 4 was replaced.
- The rotating oven in West Kitchen controller replaced.
- The heating-hot water loop for HVAC system was repaired in the ceiling of Restroom 20D and corridor behind room 33.
- We are working closely with People and Culture to replace depleted staff in Building and Cleaning. The backup plan with the difficulty in recruiting is to sub-contract out some portion for both trades on an as-needed basis.
- Repairs completed on day-tank for West generator.
- Monthly generator test and load test completed on February 14th.
- Annual inspection on Fire Pump was completed and repairs noted were completed.
- Cellular Upgrades for weather based irrigation controllers is underway.
- We are coordinating with OFC/Lumen/Smart-Citi to install Internet dark fiber for the upcoming OFC convention.
- We are negotiating for a new lease or addendum for revenue with AT&T to upgrade and enhance cellular sites on exterior of building.
- Chillers 4 and 5 annual inspections are completed, chiller 3 annual inspection is in process (all chiller annuals will be complete after chiller #3 is done).
- Exhaust fan semi-annuals and AHU quarterlies in process.
- Annual storm water training for all employees is ongoing (required for Port tenants).
- The most recent rain event resulted in very few leaks. We continue to work through the backlog of waterproofing and storm water cast-iron replacements.
- Johnson Controls quarterly sprinkler and pre-action test/inspection was completed.
- We completed scope for semi-annual cooling tower cleaning PM. Will be going out to bid soon.
- IR windows installed on 750 kVA transformers in west building column tree electrical rooms. IR scanning of transformers and west building main breakers is occurring February 28th during International Franchise Association.
- We will be replacing split unit heat pump for Show Office A.

Public Safety:

- We began our interview process for the Assistant Manager position and will likely begin interviews next week for the Public Safety Supervisor – Technology and Training Facilitator position. This position is newly created for the department and will focus on projects, fire safety systems, facility security, CCTV, Omnigo (incident report writing), new hire training program and back fill PSS' on PTO.

Agenda Item 4

Marketing & Communications:

- Public: Through social media and our website, shared event-related photos, community-requested Sails Lightings (e.g., #WearRedDay), Super Bowl chicken wing recipes from our food and beverage team, a feature on our new Board Chair Carol Kim, posts from partner organizations, and more. Provided design and communications support for the City COVID-19 Response and Recovery Committee Meeting. Added a new community Sails Lighting request page and form to our website.
- Clients: Continued to support client communications and update our website with the latest guidance, protocols and regional vaccination rates.
- Internal: Organized and held a series of Town Halls to review the strategic plan and overall updates with the SDCC team. Provided marketing support for recruitment flyers and advertisements. Continued rebranding materials for the People and Culture Department.

Government Affairs and Community Outreach:

- Our new Director of Government/Community Affairs, Juan Reyes, has started building relationships with Elected Officials and community organizations.
- Community: Attended a job and resource fair on February 10th at the Jackie Robinson Family YMCA to promote targeted vacancies at SDCC. Coordinated the lighting of the Sails for Wear Red Day, in recognition of Women's Heart Health Month, on February 4th at the request of the San Diego Chapter of the American Heart Association. Coordinated the lighting of the Sails in recognition of Lunar New Year on February 15th.
- Government: Coordinated the presentation of an informational item at the City Council's COVID-19 Response and Recovery Committee on February 14th. The presentation detailed pandemic impacts including the regional economic impact, emergency uses, and budget and staffing; and, information on recovery to-date including an overview of events hosted, health and safety protocols, and factors which influence attendance.

CFO Report to Budget Committee
For the month ending January 31, 2022
(As of February 16, 2022)

Financial Outlook

For the month ending January 31, 2022, Corporation is trailing budget by \$3M, due to not yet drawing any funding from the City (budget assumed \$8.6M by the end of January). Based on recent discussions with City Finance management, we are continuing to request the full \$10.2MM subsidy support at this time given the uncertainty of the pandemic. Corporation in conjunction with City staff plan to do a Q3_2022 financial review before full City Council in late March 2022.

From a Net Operating perspective, expenses for the year to date have exceeded revenues by \$5.7M. Operating revenues and expenses in nearly all categories performed better than budget but still at an overall loss. Personnel expenses are projecting to be over budget by \$2M through year-end due to approved compensation adjustments (referenced below in Strategic Plan focus work). Directly offsetting that increase is projected savings in fringe benefits of nearly \$1M due to unemployment claims much lower than budgeted (including the extended subsidy from the government that ended in September). Additionally, two long-term Workers Comp claims closed with large contingency values that were released, resulting in a reversal of prior year expenses, and recognizing further savings this year. The delay of replacing fire system devices was deferred to the latter half of the year, causing artificial savings but is projected to be completed by year-end.

January 2022 ended with an unrestricted reserve balance of \$17M after making obligatory IBank payments and receiving \$4.387M of PPP loan forgiveness. We continue to monitor reserves closely with the City while tracking attendance rates and industry outlooks for travel projections. We are cautiously optimistic projecting a strong demand for in person meetings, with a couple events reaching pre-pandemic numbers.

Strategic Plan focus work

- The draft facility condition report has been reviewed by staff who have met with the consultant for final issuance. We anticipate the final report being issued within the next few weeks, inclusive of an executive summary to be reviewed by Budget Committee next month to support the capital budget being presented.
- Staff is continuing to develop the compensation philosophy with focus on reviews, benchmarks, performance measurements and market-conditions in order to issue a policy for audit committee review by year-end.
- Staff continues to work closely with Forward Talent Strategies to develop job descriptions and identify key positions to rebuild the Human Resources (People and Culture) department in an effective way that will properly support the organization and its employees.
- Business Model imperative: Developing strategies to support client services that drive benefit as events face attendance challenges while we have to increase rates and balance the delicate situation to remain self-supported.

- CIP/Maintenance imperative: Staff has identified needed resources to develop a maintenance program who will be focused on establishing protocol, oversight and accountability while working with the City's Special Capital Projects team to get large projects and major maintenance planned for future support consideration.

Project Updates:

- Fire Pump: Staff has engaged Coffman Engineers (original engineering firm who xxx) to coordinate with the Sr. Fire Protection Engineer at the City Development Services Department and Bradshaw Engineering to move this project forward through the permitting process at the City.

The project started in 2019 under a standalone fire suppression permit but was advised by the development group that our project is beyond the scope of a standalone fire suppression permit and would be considered a full tenant improvement project requiring submittals for building, mechanical, electrical, and fire suppression permits because of associated changes to the pump, controller, ventilation and exhaust systems. Staff, in coordination with Coffman Engineers and Bradshaw Engineering, is seeking clarity from the permits department of the City on how to satisfy permitting submittal requirements.

- West Building Roof: January Board meeting approval allowed staff to engage directly with Gafcon based on their unique qualifications and significant experience in alternative energy projects. Gafcon will be responsible for the foundational engineering investigations, analysis, and recommendations necessary to proceed with the roof project and determine the viability for an Energy Savings Contract. This phase of the project is anticipated to be completed over the next few months and presented to the Board in the summer.

Finance significant areas of focus

- Finance is live on the ERP system! The facility management platform conversion (Venue Ops) is planned to cut over in the next 60 days. Staff will plan for further enhancements and development of dashboard and real-time reporting over the next 12 months as part of a Phase II enhancement of this project.
- PPP2 forgiveness application process has been opened. Anticipated submission date for the remaining \$2M will be by end of March 2022.
- Marshal Yard planning to locate a new location when our lease expires next March will begin in the spring after further discussion with Freeman to detail proper specification needed.
- City Compliance Officer to follow up to a FY2017 performance audit after the holidays related to funding mechanism of capital and maintenance needs related to the Convention Center. They are engaged in conversations with the Port related to long-term maintenance needs.

IT Systems areas of focus

- We are actively recruiting for an HRIS manager with planning underway for a conversion of payroll, labor management and scheduling systems. We are not seeing a lot of interest and are evaluating if we need to increase resources for recruitment.
- Our IT team has migrated most document storage and drives to the cloud! This allows for better collaborative efforts and sharing of resources as well as security of data through management access protocol.