

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

**Director Allan Farwell
Director Carol Kim
Director Elvin Lai**

**MONDAY, December 6, 2021, 11:00 A.M.
111 W. Harbor Drive, 2nd Floor, Executive Boardroom
San Diego, California 92101**

AGENDA

Pursuant to Government Code section 54953(e) and Board Resolution No.2021-04, 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** - Elvin Lai, 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 October 18, 2021 Budget Committee Meeting**
4. **Chair's Report**
5. **Action Item(s):**
 - A. **Recommendation to Authorize Ratification of Costs of Dewatering Pumps Purchased for Garage Level P-2**

6. **Staff Updates:**

- CFO
- President & CEO

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

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

Adjournment

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

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

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

Agenda Item 3

MINUTES

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

COMMITTEE MEETING OF OCTOBER 18, 2021

BOARD MEMBERS PRESENT: Chair Allan Farwell and Directors Elvin Lai and Carol Kim

BOARD MEMBERS ABSENT:

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

ALSO PRESENT: Julie Coker, SDTA President & CEO

1. **Call to Order:** Chair Allan Farwell called the meeting to order at 11:04 a.m. at 111 West Harbor Drive, San Diego, California.

Chair Farwell 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 Farwell - Present
Director Kim – Present
Director Lai – Present

Chair Farwell noted that all Directors were present. Chair Farwell further noted that all votes would be recorded via roll-call vote.

2. **Non-Agenda Public Comment:** None
3. **Approval of Minutes of September 23, 2021 Budget Committee Meeting:**

Directors Lai and Farwell moved and seconded, respectively, to approve the minutes from the September 23, 2021 meeting.

Director Farwell - Aye

Director Kim – Aye
Director Lai – Aye

Vote: Unanimous

AYES: 3 NAYS: 0 ABSTENTIONS: 0

4. Chair’s Report: None

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

A. Recommendation to Authorize Approval of Contract for Elevator-Escalator Maintenance

Directors Lai and Kim moved and seconded, respectively, to recommend Authorizing Approval of the Contract for Elevator-Escalator Maintenance

Director Farwell - Aye
Director Kim – Aye
Director Lai – Aye

Vote: Unanimous

AYES: 3 NAYS: 0 ABSTENTIONS: 0

B. Recommendation to Ratify Costs of Additional Emergency Generator Repairs

Directors Lai and Kim moved and seconded, respectively, to recommend Authorizing Ratification of the Costs of Additional Emergency Generator Repairs of \$22,701.24.

Director Farwell - Aye
Director Kim – Aye
Director Lai – Aye

Vote: Unanimous

AYES: 3 NAYS: 0 ABSTENTIONS: 0

6. Staff Updates:

CFO: Ms. Mattix reported the following:

- Staff is pleased to report that the Corporation is only approximately \$500,000 short in balancing its expenses to revenues.

- Revenues took a surprising uptick in September due to the Orthopedic Surgeons event. Although this event reduced its food and beverage guarantee, which was a concern, the event increased their spend for utilities, telecom and audio-visual services. Those items all exceeded budget.
- At this point in time, compared to budget, operationally the Corporation is approximately \$1.5 million better than budget through the first three months of the year.
- The expense line items are helping the budget because, unfortunately, we have not filled all of the Corporation's vacant positions so we are under budget for the full-time employee line item. Fringe benefits are also significantly under budget because staff thought we were going to have higher unemployment claims than have been submitted.
- Staff will make adjustments on the November budget to reflect anything that the Board has approved as a financial change and the forecast outlook for the year will be reported.
- Staff has not needed to ask the City for financial support, yet; however, once expenses start to increase and revenues remain stagnant, Staff may need to draw on the subsidy support from the City.
- Unrestricted reserves are at \$22 million as of the end of September.
- The PPP loan was forgiven and that led to the increase in reserves.
- The City is aware that this year's reserve balance is an anomaly and additional funds are needed for the future. Staff is working with the City to address future needs.
- The Council presentation in November is postponed to a future date, either December or January.
- The Corporation had another successful audit this year. The effort, which was led by Anastasia Rollins, produced no issues, no mistakes and was deemed a "clean audit."
- The Committee should also note that last year's "going concern" audit note was eliminated this year.

President & CEO: Mr. Rippetoe reported the following:

- Terry Kurtenbach and Mr. Rippetoe met with third shift team to discuss the coming compensation adjustment.
- Side letters were forwarded to CBAs regarding the upcoming salary increases.
- H.R. staff has begun a campaign to attract temporary workers for the upcoming Comic-Con event.
- Staff is continuing to work with Comic-Con on event planning and will be meeting with Comic-Con representatives this afternoon. The Port permit required for the event was approved.
- Due to the shortage of workers, staff members have been participating in "all calls" to assist with turning rooms.

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 11:19 a.m.

CERTIFICATION

I, Allan Farwell, 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 October 18, 2021.

Allan Farwell, Chair

Agenda Item 5.A

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

TO: Board of Directors

FROM: Rip Rippetoe, CFE – President & CEO

DATE: December 6, 2021

RE: Ratification of Contract for Purchase and Installation of Sump Pumps to Replace Two Failing Dewatering Pumps in the P2 Parking Garage

BACKGROUND

The dewatering system ensures that water infiltration from the bay is pumped from beneath the subterranean parking lot located under the original phase of the San Diego Convention Center (“SDCC”). The SDCC Facility Management Team has maintained and repaired the 16 dewatering pumps in the P2 parking area at the SDCC for many years. The pumps operate on demand depending on volume. The pumps activate as the pits beneath them fill. Not all pumps are needed at one time. However, the redundant design allows for the cycling of the pumps as needed.

The existing pumps are original equipment. The SDCC Facility Management team has kept them operating through preventative maintenance and repairs over the years. Recently, five of the sixteen dewatering pumps located in the P2 level failed. Upon investigation of the failed pumps, Facility Management determined that the pumps, which are 30 years old, could not be repaired because the manufacturer of the pumps is no longer in business and no parts are available to repair these existing turbine pumps.

DISCUSSION

Sloan Electromechanical was approved to immediately provide and install two submersible pumps. Sloan Electromechanical was selected because they are familiar with the system and its requirements. Sloan Electromechanical has previously been contracted by SDCC to install the pump control systems. This solution is a test to determine the viability of replacing the obsolete turbine pumps with sump pumps. Once this testing period is complete, SDCC will coordinate with the City of San Diego and their Wastewater/Public works departments to determine a path going forward to replace and modernize all the pumps within this critical infrastructure.

RECOMMENDATION

Staff seeks Board approval to approve the total expense of \$29,350 for the purchase of and labor costs to install these two pumps.

/s/

Clifford “Rip” Rippetoe, CFE
President & CEO