

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

**Director Jeff Gattas, Chair  
Director Carlos Cota  
Director Carol Kim  
Director Will Rodriguez-Kennedy**

**MONDAY, FEBRUARY 14, 2022, 11:00 A.M.  
111 W. Harbor Drive, 2<sup>nd</sup> Floor, Executive Boardroom  
San Diego, California 92101**

**AGENDA**

Pursuant to Government Code section 54953(e) and Board Resolution No.2022-01, 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** - Jeff Gattas, Chair
2. **Non-Agenda Public Comment:**  
This portion of the agenda provides an opportunity for members of the public to address the Board on items of interest within the jurisdiction of the Board that have not previously been before the Board. Pursuant to the Brown Act, no discussion or action shall be taken by the Board on items not posted on the agenda.
3. **Approval of Proposed Minutes of January 19, 2022 Budget Committee Meeting**
4. **Chair's Report**
5. **Action Item(s):**
  - A. **Recommendation to Authorize Contract for East Building Fire Alarm Improvements**

**B. Recommendation to Authorize Contract for Replacement of Dewatering Pumps in Remaining Three Pump Stations**

**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](http://visitsandiego.com). Please contact Pat Evans at (619)525-5131 or [pat.evans@visitsandiego.com](mailto: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 JANUARY 19, 2022

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

**BOARD MEMBERS ABSENT:** Director Carol Kim

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

**ALSO PRESENT:** Julie Coker, SDTA President & CEO

1. **Call to Order:** Chair Jeff Gattas called the meeting to order at 11:00 a.m. at 111 West Harbor Drive, San Diego, California.

Chair Gattas announced that since this meeting is being conducted via teleconference, the first action is to perform a roll call to determine which Board members are present on this call:

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

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

2. **Non-Agenda Public Comment:** None
3. **Approval of Minutes of December 6, 2021 Budget Committee Meeting:**

Directors Cota and Rodriguez-Kennedy moved and seconded, respectively, to approve the minutes from the December 6, 2021 meeting.

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

**Vote: Unanimous**

**AYES: 3                      NAYS: 0                      ABSTENTIONS: 0**

4. **Chair's Report:** Chair Gattas welcomed all of the new committee members to the Budget Committee. Chair Gattas stated that the Committee would attempt to address the most pressing issues facing the Convention Center even though everyone was still feeling and dealing with the impacts of the COVID 19 pandemic. Over the next year, the Committee's focus will be on Center maintenance, the CIP and other ongoing issues. Chair Gattas also noted that at some point, the SDTA contract renewal would be brought before the Committee for review and the Committee would continue to work with the City regarding issues related to the SDCCC budget.
5. **Action Item(s):** Chair Gattas requested public comment regarding any of the agendaized action items. Hearing none, presentations regarding the items commenced.

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

**A. Recommendation to Authorize Contract for Roof Consultant**

**Directors Cota and Rodriguez-Kennedy moved and seconded, respectively, to recommend authorizing a Contract for Roof Consultant**

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

**Vote: Unanimous**

**AYES: 3                      NAYS: 0                      ABSTENTIONS: 0**

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

**B. Recommendation to Authorize Placement of Employee Medical and Employer Paid Basic Life, AD&D and LTD Insurance through Marsh & McLennan Agency LLC Company**

**Directors Cota and Rodriguez-Kennedy moved and seconded, respectively, to recommend authorizing Placement of Employee Medical and Employer Paid Basic Life, AD&D and LTD Insurance through Marsh & McLennan Agency LLC Company**

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

**Vote: Unanimous**

**AYES: 3                      NAYS: 0                      ABSTENTIONS: 0**

**6. Staff Updates:**

**CFO:** Ms. Mattix reported the following:

- Overall, the Corporation is doing better than Staff anticipated at the year's halfway point.
- The Corporation is suffering a \$4.3 million dollar operational loss at this point but that loss is less, by a few million dollars, than Staff had originally projected.
- Revenues have out-performed budget expectations for the first half of the year even with lower than anticipated event attendance.
- Staff anticipates that revenues will take a dip in January and February. The revenue dip may be worse than Staff had budgeted because Staff had anticipated that event attendance would be increasing by this point. Unfortunately, event attendance actually decreased due to the omnicron variant.
- Expenses are pretty much tracking as budgeted.
- The Board previously approved a \$2 million adjustment to overall employee compensation. Even with that adjustment factored in, the expense budget is tracking pretty well.
- Staff anticipates the Corporation will experience an approximate \$7 million operating loss through January. The loss may be a bit worse in February; however, Staff believes business will tick back up between March and June of 2022.
- If the Corporation starts seeing more event attendance, it may be able to make up some of the operational loss deficit. Staff is currently strategizing with the City and we are both erring on the side of caution and electing to leave the \$10.2 million dollar City

subsidy agreement in place. Whether the Corporation ends up using any or all of those funds had yet to be determined. Staff has deferred presenting a midyear report to the full City Council until March in order to see how business has improved by March.

- Staff is also planning for future capital needs. Staff recently received the facility assessment report and Staff still has to review it. However, Staff is already starting to strategize with the City on how to plan for future re-investment and maintenance and capital.
- As this Committee is aware, Staff is renegotiating the SDTA contract for sales and marketing services. The City is also aware of those negotiations. Staff has asked that the City separate the SDTA subsidy pass through payment from its subsidy agreement with SDCCC. In the future, the SDTA subsidy payment will come from TOT funds and any SDCCC subsidy payment will come from the City's general fund.
- The Corporation's reserves are pretty healthy right now at \$18 million. SDCCC policy dictates that the Corporation's target for the reserves is \$10 million.
- In discussions with the City, Staff has agreed that the Corporation will subsidize itself out of its current reserves until Staff reaches an agreement with the City regarding the kind of support the City can provide. Working with the City has been a very positive collaborative effort, with very open, transparent communication.
- The City is looking at the SDCCC budget very holistically and realizes that SDCCC has some demands and needs coming up in the near future. The conversations related to the SDCCC budget are going really well.
- Ms. Mattix also provided updates regarding the status of the roof replacement, the dewatering pumps and the fire pumps.
- Director Cota provided an update regarding the status of the negotiations with SDTA regarding renewal of the Sales and Marketing Services contract.
- Chair Gattas commended the staff regarding their budgeting acumen and their positive interactions with the City's finance team.

**President & CEO:** Mr. Rippetoe reported the following:

- One of the things that staff is doing as we are moving deeper into our budget preparation process for next year is identifying strategically the needs we have as we move forward in various departments.
- As we rebuild HR, the Corporation has rebranded "Human Resources" department as "People and Culture." Recruitment is open for a new Director and a manager position for that department. The pool of candidates for Director has been narrowed down to five applicants and staff will begin those interviews in the next couple of weeks. If things go well, hopefully, a Director will be selected by mid-February.
- It's important for us as we work on our strategic plan that we emphasize how important it is to recover emotionally and as well as fiscally from the pandemic. One of those ways that has been identified in our plan is that we have got to work on continuously on improving culture so that our employees choose to want to work with us. We are beginning that focus with changing and rebranding the approach, and also in how we recruit and identify the person that we want to lead that area. After we make the Director selection, we will also begin staffing up.

- Pre-pandemic, the People and Culture department had nine staff members, including the Director and the manager. We currently have a staff of three with a lot of support from our contracted consultant, Traci Ward and Anastasia Rollins, from our Finance team, who is doing some incredible work helping out.
- Mardeen and I spend a lot of time with People and Culture, and currently, the three staff members plus the consultant report up to me. We will be adding administrative support beginning next week which will allow us to get a handle on some of the records that we want to improve as well.
- Another area that we're working on is continuing to identify what it means to be in "preventative" repair mode and what we need to do as our building continues to age. Staff will provide more information on that issue as we present the budget.
- But just know, we're looking at our future very strategically but in particular what it's like post pandemic and what we need to be able to do. Our customers look at us and expect us to set the pace really for a lot of the industry.
- Mr. Rippetoe introduced Juan Reyes, the new Director of Government and Community. Mr. Reyes has hit the ground running already and has been observing and working with the committees. Mr. Reyes is also working on contacting both representatives from the Mayor's office and Council members, and, we have a whole variety of organizations that he will be reaching out to over the next few weeks.
- Mr. Rippetoe invited SDTA President & CEO Julie Coker to provide a recap of the recent PCMA annual meeting.
- Ms. Coker reported the following:
  - Ms. Coker thanked the Board for all of the work that's been done on the SDTA contract renegotiations. As indicated in the Sales & Marketing Committee meeting, the vote of confidence in SDTA and being able to deliver results is important.
  - In terms of PCMA, there was a \$95 million stemless grant that Visit California received from Governor Newsome and \$4.5 million of those funds were earmarked specifically for meetings, conventions, trade shows and conferences. One of the commitments was the PCMA event. It is the largest gathering of event strategists and meeting planners that business professionals attend. It was great for California to have a presence, especially with the event being held in Las Vegas.
  - On Sunday, a reception/brunch was held. Andy Mikschl was in attendance, as well as Kavin Schieferdecker and seven of our sales managers between both organizations. We worked with the four gateway cities – San Diego, Anaheim, Los Angeles, and San Francisco, and we were able to host over 100 customers, which was great. We did it safely. Everyone had to upload their vaccination record. Masks were required unless you were eating food. So we were very conscious of the times that we were in.
  - We were able to host this event because of the collaborations with the other California cities and also because of the additional funds that Visit California earmarked for this event. It was very successful and is probably something that we'll continue to do. Again, collaborating and pooling our resources worked because there's a lot of demand on customers' time at PCMA. To have all of California in one room was a great achievement.



- Carolyn Beteta, President & CEO of Visit California, opened up PCMA's opening session as a sponsor, and as such, she was able to put out the California message which was important because we were the last state to re-open.
- Ms. Beteta reported that California is open for business and that we can hold meetings safely. She also rolled out the campaign that Visit California's going to introduce for meetings, conventions and trade shows.
- On Tuesday, there was a reception that was held in a partner room and of course, it featured California wines. There was a lot of activity and it gave SDTA representatives another opportunity to meet with customers. There was good attendance all around.
- Our staff received the resounding message that folks definitely want to hold face-to-face meetings this year. Like everyone, PCMA attendees are keeping an eye on event attendance and things that they can do to entice folks to actually attend meetings face-to-face.
- This event was a great way to start the year, and certainly, California was very well represented, and we should all be proud that. The money that Governor Newsome earmarked is being used in a respectful way that we definitely support.

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 11:40 a.m.

### CERTIFICATION

I, Jeff Gattas, Chair of the Budget Committee of the Board of the Directors of San Diego Convention Center Corporation, Inc., do hereby certify that the foregoing is a true and correct copy of the minutes of the business transacted by the Budget Committee of the Board of Directors of the San Diego Convention Center Corporation, Inc. at a duly noticed meeting held on January 19, 2022.

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Jeff Gattas, Chair



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

## BACKGROUND

## DISCUSSION

## STAFF RECOMMENDATION

/s/

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Corey Albright,  
Executive Director, Procurement & Strategic Relations

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

## BACKGROUND

## DISCUSSION

The emergency installation in late 2021 addressed one of four dewatering pump stations. Upon successful implementation of the initial installation, stability of the replacement submersible pumps, and confirmation of uniformity of components, Staff obtained a proposal from Sloan Electromechanical to address replacement of the three remaining pump stations for a total of \$96,840.17.

Staff recommends approval of a contract with Sloan Electromechanical for \$96,840.17.

## STAFF RECOMMENDATION

Approve authorization to contract for replacement of dewatering pumps in the remaining three pump stations for \$96,840.17.

/s/  
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 Corey Albright,  
 Executive Director, Procurement & Strategic Relations