

**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, SEPTEMBER 19, 2022, NOON  
111 W. Harbor Drive, 2<sup>nd</sup> Floor, Executive Boardroom  
San Diego, California 92101**

**AGENDA**

Pursuant to Government Code section 54953(e)(1)(B), City of San Diego City Council Resolution R-2022-396, and San Diego Convention Center Corporation Resolution No. 2022-05 approved on August 24, 2022, members of the San Diego Convention Center Corporation Board and all of its legislative bodies 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 this 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 June 13, 2022 Budget Committee Meeting**
4. **Chair's Report**

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

- A. Recommendation to Authorize Approval of Meeting Room Carpet Installation Costs**
- B. Recommendation to Authorize Contract for Elevator Door Replacement**
- C. Recommendation to Authorize Contract for East Building Fire Door Project**

**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 JUNE 13, 2022

**BOARD MEMBERS PRESENT:** Chair Jeff Gattas and Directors Carol Kim and Carlos Cota

**BOARD MEMBERS ABSENT:** Director Will Rodriguez-Kennedy

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

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

1. **Call to Order:** Chair Jeff Gattas called the meeting to order at 11:05 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 – Present  
Director Will Rodriguez-Kennedy – Absent

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

2. **Non-Agenda Public Comment:** Chair Gattas requested public comment regarding any non-agenda items. Hearing none, the meeting proceeded.
3. **Approval of Minutes of April 18, 2022, Budget Committee Meeting:**

Directors Gattas and Cota moved and seconded, respectively, to approve the minutes from the April 18, 2022, meeting.

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

**Vote: Unanimous**

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

**4.     Chair’s Report: None**

**5.     Action Item(s): Chair Gattas requested public comment regarding any of the agenda 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 Workforce Management System (UKG)**

**Directors Kim and Cota moved and seconded, respectively, to recommend authorizing contracting for a Workforce Management System (UKG).**

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

**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 Ratify Revised FFY 23 SDCC Budget**

**Directors Cota and Kim moved and seconded, respectively, to recommend ratifying the FY 2023 SDCCC Budget.**

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

**Vote: Unanimous**

**AYES: 3**

**NAYS: 0**

**ABSTENTIONS: 0**

**6. Staff Updates:**

**CFO:** Ms. Mattix noted that she would be forwarding her CFO report and the May financials shortly and she reported the following:

- The month of May looks good from a revenue standpoint. Events are budgeting very conservatively and sharing conservative attendance and ancillary numbers with us. However, at the last minute, increased ancillary orders kick in which can lead to difficulty in planning, especially for food and beverage orders. Staff has been working with Centerplate to mitigate some of the last-minute food and beverage increases. The last-minute surge is a little inconvenient, but it offers increased revenue which we appreciate.
- Regarding budget variances, the Personnel line-item continues to be under budget as we really have struggled with onboarding newly hired staff members.
- On a good note, we have offered the position of Executive Director of People and Culture to Michael Milligan, and he has accepted the offer. Mr. Milligan will start next week. He has been in contact weekly, and he is excited to plan and build his team. Mr. Milligan has some really innovative ideas, and I am looking forward to adding him to the team. Mr. Milligan has requested that we postpone adding additional staff to People and Culture until he has had an opportunity to assess the current team's talents.
- We have been augmenting in-house People and Culture staff through our partnership with Ignite who have been assisting with the recruitment efforts to help sustain hiring levels for upcoming events.
- Recruitment efforts have been fantastic but not too overwhelming. For example, for Comic-Con, there are over 200 applicants in the queue, just for the temporary positions. Staff is struggling to vet and onboard those people to get them here for the Comic Con event.
- We have had two new remote recruiters from Ignite start today as temporary positions. Those recruiters are now going to help facilitate the onboarding piece of our business. We are augmenting our in-house business partners to get the new hires through the funnel so that we can service the clients appropriately.
- We will experience savings in the Personnel line-item, and we should not exceed budget on the Contracted Services line-item.

- We also anticipate we will go over budget on the Repair and Maintenance line-item. This is a good thing because we found opportunities to expedite some of the projects that we had planned for in Fiscal Year 23 or projects that were pop-up items that came up and we are pushing those through and getting those done.
- So instead of deferring maintenance, we are trying to fit projects in as they come up and when we have availability within the building.
- We will likely exceed the Repair and Maintenance budget by about \$200,000 to 250,000 of original budget and about \$400,000 to \$500,000 of the forecasted budget.
- Staff on the Executive Team have been focused on compensation and watching the CPI. Living wage adjustments are expected to come through, minimum wages will be increasing, and we are reviewing a retention tool as well. Staff will be bringing the salary increases to the Committee shortly.

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

- SDTA has submitted their draft Program of Work which has been reviewed by the Executive Team. The Team is pleased with SDTA's sales approach, and the Program will be reviewed first by the Sales & Marketing Committee and then by the full Board.
- Now that the overseas Covid travel restrictions have been lifted, we believe we're going to begin seeing an increase in international attendees. The BIO event that was in-house last week had international attendees of approximately 40% and they were close to 12,000 in attendance, which matched or exceeded their 2017 attendance. Overall, event attendance is beginning to recover.
- The Comic-Con coastal permit was approved for a period of five years. The significance of the length of the approval period is that it also provides assurances that Comic-Con can continue to plan and grow.
- The Gaylord project was approved to proceed in Chula Vista so that project will be breaking ground soon. The anticipated opening will be sometime in the summer or fall of 2025.
- It is too soon to tell if the Gaylord facility opening will impact SDCC business; however, it may impact the hotel community and there could be some impact on SDCCC staff as they will have more choices of where to work.

**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)]: Ms. Coker reported that the TMD will present its FY 2023 budget to the full City Council tomorrow between 2:00 and 5:00 p.m. and they are looking forward to a positive outcome.

There being no further business, the meeting adjourned at 11:35 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 June 13, 2022

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Jeff Gattas, Chair

**Agenda Item 5.A**

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

**TO: Budget Committee**

**FROM: Corey Albright, Chief Operating Officer**

**DATE: For the Agenda of September 19, 2022**

**RE: Authorization to Contract for Meeting Room Carpet Installation.**

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**BACKGROUND**

In July 2022, Staff called a special board meeting to authorize the purchase of meeting room carpet materials due to a pending 12% price increase on August 1, 2022. During this meeting, the solicitation for labor installation was currently being developed and Staff planned to return no later than October with a recommendation to award a contract for the installation labor. The updated forecast provided during the meeting was \$971,600 inclusive of material and installation labor. Meeting room carpet was purchased directly from Milliken for \$621,600 and a forecast of \$350,000 was used for installation labor.

**DISCUSSION**

In August 2022, staff published a request for proposals for the removal and recycling of existing meeting room carpet and installation of the new Milliken carpet purchased separately in July. Staff received two responsive proposals from ProSpectra Contract Flooring for \$229,376.00 and South Coast Flooring & Installations for \$267,906.82.

Staff reviewed the proposals and determined ProSpectra Contract Flooring to offer the best value. Staff recommends awarding a contract to ProSpectra Contract Flooring for \$229,376 and using the updated forecast of \$971,600 as a not to exceed project budget inclusive of contingency funds for unforeseen conditions.

**STAFF RECOMMENDATION**

Approve authorization to contract with ProSpectra Contract Flooring based on the above terms.

/s/  
Corey Albright,  
Chief Operating Officer



**Agenda Item 5.B**

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

**TO:** Budget Committee

**FROM:** Corey Albright, Chief Operating Officer

**DATE:** For the Agenda of September 19, 2022

**RE:** Authorization to Contract for Elevator Door Replacement

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**BACKGROUND**

In 2016, Staff contracted with KONE Inc. for the modernization of service, freight, and passenger elevators throughout the facility. Freight elevators N and O are the primary freight elevators for the west building behind hall C and are essential to efficient event move-ins and move-outs. As part of this contract, freight elevators N and O were modernized in 2018 for all major components other than the elevator doors.

**DISCUSSION**

Freight elevator N and O doors are beyond their useful life and can no longer be serviced for reliable use. The condition has resulted in the elevator doors failing and these essential freight elevators being taken offline at unplanned times, including during recent move-in and move-out periods severely degrading the process. Staff budgeted for the replacement of these doors for \$192,700 in the FY 23 operating capital budget.

Staff received an estimate from KONE Inc. for \$192,257.17 and recommends proceeding with a project budget of \$200,000.

**STAFF RECOMMENDATION**

Approve authorization to contract with KONE Inc. for elevator door replacement with a project budget of \$200,000.

\_\_\_\_\_/s/  
Corey Albright,  
Chief Operating Officer

## **Agenda Item 5.C**

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

**TO:** Budget Committee

**FROM:** Corey Albright, Chief Operating Officer

**DATE:** For the Agenda of September 19, 2022

**RE:** Authorization to Contract for East Building Fire Door Project

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### BACKGROUND

In November 2021, Corporation Staff met with San Diego Fire-Rescue Department staff to discuss the ongoing failure of our automatic-closing fire door assemblies in the east building upper level for the meeting rooms. The current configuration is comprised of two main functions. The first function is the standard door closing mechanism itself, which is mechanically operable with no issues. The second function is to hold doors open for meeting rooms and when a fire alarm sensor triggers, it releases the door automatically as required by building code for fire containment. The door holder and automatic release function have physically failed in approximately 50% of the upper-level meeting doors in the east building.

### DISCUSSION

Staff continued to collaborate with the San Diego Fire-Rescue Department and Sygnal Systems, our fire life safety system contractor. Through these collaborative efforts, a viable solution was agreed upon to remove the automatic door holding and closing function and convert the existing hardware to be a simple door closer. Sygnal Systems will install magnetic door holders, similar to what is used on the west side of the building, and additional smoke detectors for the magnetic holder locations.

While this project is not budgeted, it is a building code requirement we must adhere to for life safety. Staff is recommending proceeding with contracting to Sygnal Systems for \$196,000 with an additional \$15,000 contingency for unforeseen conditions, totaling a project budget of \$211,000.

### STAFF RECOMMENDATION

Approve authorization to contract with Sygnal Systems with a project budget of \$211,000.

/s/  
Corey Albright,  
Chief Operating Officer