

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

**Director Carol Kim, Chair
Director Elvin Lai
Director Carlos Cota
Director Jaymie Bradford**

**TUESDAY MARCH 24, 2020, NOON
111 W. Harbor Drive, 2nd Floor, Executive Boardroom
San Diego, California 92101**

AGENDA

**(Meeting to be held via teleconference pursuant to
State of California Executive Order N-29-20)**

**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 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 February 18, 2020 Budget Committee Meeting**
4. **Chair's Report**
5. **Action Item(s):**
 - A. **Authorization to Approve Fiscal Year 2021 Budget**
 - B. **Authorization to Approve 10-Year CIP/Infrastructure and O&M Projections – FY 2021-2030**
 - C. **Authorization to Purchase Security Surveillance Video Servers**
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.

MINUTES

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

COMMITTEE MEETING OF FEBRUARY 18, 2020

BOARD MEMBERS PRESENT: Chair Carol Kim and Directors Carlos Cota and Jaymie Bradford

BOARD MEMBERS ABSENT: Director Elvin Lai

STAFF PRESENT: Rip Rippetoe, Karen Totaro, Mardeen Mattix, Andy Mikschl, Corey Albright, Maren Dougherty, and Pat Evans (Recorder)

ALSO PRESENT:

1. **Call to Order:** Chair Carol Kim called the meeting to order at 11:05 a.m. at 111 West Harbor Drive, San Diego, California. Chair Kim noted that all Committee members were present except Director Lai.

2. **Non-Agenda Public Comment:** None

3. **Approval of Minutes of January 21, 2020 Budget Committee Meeting:**

Directors Bradford and Cota moved and seconded, respectively to approve the minutes from the January 21, 2020 meeting. Vote: Unanimous

AYES: 3

NAYS: 0

ABSTENTIONS: 0

Director Lai was absent.

4. **Chair's Report:** None

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

Director Lai arrived on site at 11:20 a.m.

A. **Authorization to Recommend Ratification of Contracts for Emergency Repairs to Ballroom 6A Foyer**

6. **Staff Updates:**

- **CFO:** Ms. Mattix reported:
 - December financials reflect approximately \$2 million better than budget (excess revenues over expenditures). However, \$1.25 million has been allocated for projected spending. Ms. Mattix provided an update regarding CIP spending and the aggregate spending for unforeseen or unbudgeted items.
 - At this time, it appears that the General Expenses line item, primarily FF&E items will exceed its budget by \$360,000. The overage is attributable to higher costs associated with the chair purchase and the purchase of the trash bins.
 - The Repair & Maintenance line item will exceed its budget by approximately \$400,000. The Board has been updated regarding the projects associated with these costs.
 - The Insurance line item will exceed its budget by approximately \$80,000. This cost is related to claims.
 - The Supplies line item will exceed its budget by approximately \$120,000 due to supplies needed to reseal the Sails Pavilion floor.
 - Overall, financials are projected to be \$750,000 better than budget.
 - Ms. Mattix also reviewed the aggregate spending data.

- **President & CEO** – In Mr. Rippetoe reported the following:
 - Strategic planning and visioning with the Board will commence after the March ballot initiative. Staff is also preparing post-initiative result messaging for clients. The Corporation’s proposed budget will also be submitted after March 3rd. The travel budget could increase if it is determined that additional client outreach is necessary.
 - The Corporations will continue to invest in client services to maintain its position of leadership within the industry.
 - Mr. Rippetoe discussed staff retention trends within the industry and workforce development for the future.
 - Mr. Rippetoe also discussed the potential impact of the COVID-19 virus on event attendance and the proactive measures the Corporation is taking to protect attendees.

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 12:20 p.m.

CERTIFICATION

I, Carol Kim, 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 February 18, 2020.

Carol Kim, Chair

Agenda Item 5.C

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

TO: Budget Committee

FROM: Mardeen Mattix, Chief Financial Officer

DATE: For the Agenda of March 24, 2020

RE: Authorization to Purchase Security Surveillance Video Servers

BACKGROUND

Our in-house Video Surveillance Server System, comprised of multiple servers, cameras and connectivity components, has had several hard drive failures over the past twelve months. This effected the continuity of video security coverage of the Center for brief periods. In the last year, 10 out of 24 video storage hard drives required replacement due to mechanical failures. Each time a drive is replaced, there is a chance for data loss and downtime. Fortunately, the Corporation has not experienced data loss nor any significant amount of downtime during shows.

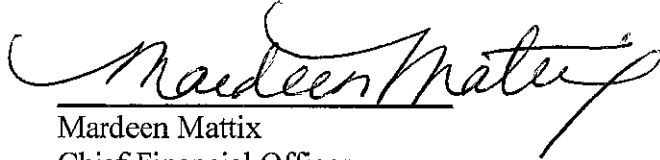
The Surveillance System has an estimated useful life of five years with a phased planned replacement program to restore the largest cluster of servers in FY21 with planned second server replacement in FY22. With a recent spate of failures in February, Security and IT Staff reviewed the nature of the incidents and concluded it would be best to expedite the replacement of both servers in the current fiscal year. Staff believe it is best to replace this system with new server hardware now in order to avoid any critical failures during the Center's busy summer convention season when the need for highly available surveillance video is at peak demand. This is our primary medium to mitigate potential claims or hold people accountable for incidents that require investigation.

DISCUSSION

Staff requested proposals from the current vendor, American Security Group (ASG), based on specifications provided by IT Staff. Staff asked for recommendations on new servers that could meet our future video storage needs. The most optimal solution provided by ASG is to replace the current video storage solution with a more fault tolerant, highly redundant and expandable server cluster.

STAFF RECOMMENDATION

Approve authorization to purchase 4 Lenovo Servers and 12 hours of installation labor from American Security Group for \$86,252.69.

A handwritten signature in black ink, reading "Mardeen Mattix". The signature is written in a cursive style with a large initial "M".

Mardeen Mattix
Chief Financial Officer