

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

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

**THURSDAY, SEPTEMBER 23, 2021, 11:00 A.M.  
111 W. Harbor Drive, 2<sup>nd</sup> Floor, Executive Boardroom  
San Diego, California 92101**

**AGENDA**

Pursuant to Governor Newsom's Executive Orders N-29-20 and N-08-21, 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 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** - Allan Farwell, 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 August 16, 2021 Budget Committee Meeting**
4. **Chair's Report**
5. **Action Item(s):**
  - A. **Recommendation to Authorize Ratification of Contract for Emergency Generator Radiator Repairs**

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 AUGUST 16, 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 11:30 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 June 14, 2021 Budget Committee Meeting:**

Directors Lai and Kim moved and seconded, respectively, to approve the minutes from the June 14, 2021 meeting.

Director Farwell - Aye

**Director Kim – Aye**  
**Director Lai – Aye**

**Vote: Unanimous**

**AYES: 3**

**NAYS: 0**

**ABSTENTIONS: 0**

**4. Chair’s Report:** Chair Farwell reported:

- Chair Farwell and CFO Mattix have reviewed the agenda items and discussed some of the financial issues Ms. Mattix is putting together.
- The financial reports for fiscal year 2020/2021 will be finalized very soon.
- Since distribution of the draft financial report summary at the end of last month, SDCCC received a substantial payment of \$21 million from HHS relative to the Operation Artemis event.
- Staff is still awaiting an additional payment of \$2 million and anticipate receipt of those funds by the end of September. Approximately \$1 million of those funds represents a pass through payment to vendors.
- The final year-end financial report is scheduled for submission and approval at the October Board meeting.
- During her CFO update, Ms. Mattix will also provide information regarding a “challenge grant” she is working on with staff members.

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

**A. Recommendation to Authorize Ratification of Cleaning Services Contract**

**Directors Kim and Lai moved and seconded, respectively, to recommend Authorizing Ratification of the Cleaning Services Contract.**

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

**Vote: Unanimous**

**AYES: 3**

**NAYS: 0**

**ABSTENTIONS: 0**

**B. Recommendation to Authorize Extension Term of and Amendment of Telecom Services Contract**

**Directors Lai and Kim moved and seconded, respectively, to recommend Authorizing an Extension Term of and Amendment of Telecom Services Contract.**

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

**Vote: Unanimous**

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

**C. Recommendation to Authorize Extension of Term of Audio Visual Services Contract**

**Directors Farwell and Lai moved and seconded, respectively, to recommend authorizing an Extension of Term to the Audio Visual Services Contract.**

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

**Vote: Unanimous**

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

**D. Recommendation to Ratify Approval of Infrastructure Upgrade Wiring Project for Digital Services Project**

Director Lai requested that staff prepare for the Board a brief summary that outlines the history of the phases of the digital project and the status of future proposed phases of the project.

**Directors Kim and Farwell moved and seconded, respectively, to recommend Authorizing Ratification of Approval of Infrastructure Upgrade Wiring Project for Digital Services Project.**

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

**Vote: Unanimous**

**AYES: 3**

**NAYS: 0**

**ABSTENTIONS: 0**

**E. Recommendation to Authorize Ratification of Emergency Boiler Repairs**

**Directors Lai and Kim moved and seconded, respectively, to recommend Authorizing Ratification of the Emergency Boiler Repairs.**

**Director Farwell - Aye**

**Director Kim – Aye**

**Director Lai – Aye**

**Vote: Unanimous**

**AYES: 3**

**NAYS: 0**

**ABSTENTIONS: 0**

**F. Recommendation to Authorize Approval of Contract for Purchase of Copiers and Maintenance Agreement**

**Directors Farwell and Lai moved and seconded, respectively, to recommend Authorizing Approval of Contract for Purchase of Copiers and Maintenance Agreement.**

**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:

- The Corporation had under a million dollars of unrestricted cash left in accounts before the payment was received from HHS.
- The current unrestricted reserve balance is \$19 million.
- Events have started out more slowly than anticipated in terms of attendance so the Corporation will definitely need the reserve funds to sustain it over the short term

and that buffer will allow the Corporation to see where the event attendance situation goes.

- Ms. Mattix requested that Mr. Albright provide an overview regarding the potential “challenge grants.”
- Mr. Albright reported the following:
  - The challenge grant opportunity is through the American Rescue Plan and it is specific to travel and tourism companies.
  - There is an opportunity that SDCCC could apply for some project funding - anywhere from \$100,000 up to \$10 million, although Staff does not expect to receive \$10 million.
  - The application process is cumbersome but Staff is working to understand the process.
- Ms. Coker also reported on potential additional funding for the tourism industry of which she was aware.
- Ms. Coker further reported that the Mayor's office is in the loop, and they were helping coordinate obtaining grants from the City perspective. Staff are going to ensure the grants team and the Mayor's team are aligned on all information so that Staff can collaborate with the City on whatever we need.
- The State budget awarded \$4.5 million to visit California for marketing opportunities.
- Those funds have been allocated specifically for meetings and conventions and this is the first time that California is investing in meetings and conventions because in the past, they have always focused on leisure travel.
- There are also potentially millions more dollars in funding that the Governor could award to reignite international business travel.
- Ms. Mattix reported that one of the items Staff is working on is drafting a capital improvement and major maintenance program.
- Staff is reviewing hiring a Director of Planning and Project Development to help move into the direction of being able to establish a plan that's more robust and has assigned priorities, and risk assessment and ROI, and things like that, so that staff is planning for capital investments.
- As Staff receives the facility assessment results and takes the current assessments regarding the roof and the mechanical systems into consideration, Staff can take that information and incorporate it into creating a maintenance plan.

- Staff hopes to assume a preventative maintenance posture instead of solely reacting as emergencies arise. As you know, it costs so much more to address an emergency than it does to proactively prevent one. Staff has started those conversations with the City.
- Staff is also analyzing our business model and researching what kind of opportunities are available so that SDCC can access additional funding in the type of environment we're facing right now.
- Staff is also reviewing how to balance client demands with the resources we have.
- Staff is continuing with the ERP project, and are actually getting close to testing some processes on the finance team and the next step will be to test processes on the venue operations side of things.
- Staff exercised due diligence and maybe changing gears a little bit and we are going to step back. We have had a bit of a delay, but we still anticipate finishing on time.
- Regarding the PPP loan, Staff fully expects 100% forgiveness of the loan over the next six months.

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

- Congratulations to DeeAnne Snyder, Director of Event Services. Ms. Snyder was named one of San Diego Business Journal's 50 Women of Influence earlier in August.
- Mr. Rippetoe provided an update regarding the status of the permitting process for the Comic-Con event in November. He anticipates the permit will be approved in September.
- Staff has also been engaged in conversations with the City about following their lead on mandating vaccinations for the SDCCC team, as well as testing. Staff will provide further information once a course of action has been determined.

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 12:27 p.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 August 20, 2021.

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Allan Farwell, Chair

Agenda Item 5.A

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

**TO:** Budget Committee

**FROM:** Donald Bottger, Director, Facility and Environmental Services

**DATE:** For the Agenda of September 23, 2021

**RE:** Recommendation to Authorize Ratification of Contract for Emergency Generator Radiator Repairs.

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BACKGROUND

On August 25, 2021, Corporation Staff conducted an inspection of the West Emergency Diesel Generator and observed that the radiator that cools the generator was leaking. The generator provides emergency power for the West Building in the event of a power failure. The facility is required to have a generator based on California Building Code CBC 2702 and National Fire Protection Association NFPA 110 code requirements.

Staff contacted two service companies to conduct a conditional inspection of the generator. After the inspection was completed, both service companies concluded that the radiator components were highly corroded. The service contractors determined that the radiator needed repair to ensure continued integrity of the emergency generator system.

Staff solicited quotations from both companies. Hawthorne Cat proposed a repair cost of \$42,656.20 and Baycity Electric Works proposed a repair cost of \$37,335.65.

Due to the emergency nature of the proposed repairs, Staff provided written approval to BayCity Electric on September 8, 2021 to provide the following services at a cost of \$37,335.65:

1. Remove the radiator off the roof utilizing a crane.
2. Take the radiator off-site for re-core, installation of new tanks, new gaskets and hardware.
3. Re-install the re-built radiator back to the roof utilizing a crane.
4. Verify operational checks to ensure abatement of all leaks.

STAFF RECOMMENDATION

Staff seeks ratification of a contract for \$37,335.65, awarded to BayCity Electric for emergency repair of the West Emergency Diesel generator. This is an unbudgeted capital expense since the value meets the capital threshold and qualifications for asset recognition by increasing the usefulness and efficiency of the generator.

          
/s/

Donald Bottger,  
Director, Facility and Environmental Services