

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

**Director Shawn VanDiver, Chair  
Director Carlos Cota  
Director Carol Kim**

**MONDAY, AUGUST 14, 2023, 11:00 A.M.  
111 W. Harbor Drive, 2<sup>nd</sup> Floor, Executive Boardroom  
San Diego, California 92101**

**AGENDA**

**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** - Shawn VanDiver, 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 April 24, 2023, and June 21, 2023, Budget Committee Meetings**
4. **Chair's Report**
5. **Action Item(s):**
  - A. **Recommendation to Authorize Purchase of Kitchen Equipment**
  - B. **Recommendation to Authorize Contract for Kitchen Construction**
  - C. **Recommendation to Authorize Contract for Central Plant Design**
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 APRIL 24, 2023

**BOARD MEMBERS PRESENT:** Chair Shawn VanDiver and Director Carlos Cota

**BOARD MEMBERS ABSENT:** Director Carol Kim

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

**ALSO PRESENT:** Victor Botella and Lisa Casella, Marsh & McLennan representatives

1. **Call to Order:** Chair Shawn VanDiver called the meeting to order at 2:00 p.m. in the Executive Conference Room of the San Diego Convention Center, 111 West Harbor Drive, San Diego, California.

Chair VanDiver announced that since this meeting is being conducted on site with an open line to the public, the first action is to perform a roll call to determine which Board members are present on this call:

Director VanDiver– Present  
Director Cota - Present  
Director Kim – Absent

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

2. **Non-Agenda Public Comment:** Chair VanDiver requested public comment regarding any non-agenda items. Hearing none, the meeting proceeded.

3. **Approval of Minutes of March 27, 2023, Budget Committee Meeting:**

Directors Cota and VanDiver moved and seconded, respectively, to approve the minutes from the March 27, 2023, meeting.

Director VanDiver– Aye  
Director Cota - Aye  
Director Kim – Absent

**Vote: Unanimous**

**AYES: 2                      NAYS: 0                      ABSTENTIONS: 0**

4. **Chair’s Report:** Chair VanDiver noted that Agenda Item 5.A has already been extensively reviewed by the Audit Committee and he looks forward to hearing the results.

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

Chair VanDiver 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 Placement of Property, General and Umbrella Liability, Workers’ Compensation and Directors & Officers Insurance Through the Brokerage Services of Marsh & McLennan Agency**

After presentations by staff, Directors Cota and VanDiver moved and seconded, respectively, to recommend Authorizing Placement of Property, General and Umbrella Liability, Workers’ Compensation and Directors & Officers Insurance Through the Brokerage Services of Marsh & McLennan Agency.

Director VanDiver– Aye  
Director Cota - Aye  
Director Kim – Absent

**Vote: Unanimous**

**AYES: 2                      NAYS: 0                      ABSTENTIONS: 0**

Chair VanDiver 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 Purchase of Maintenance Work Order System**

After presentations by staff, Directors Cota and VanDiver moved and seconded, respectively, to recommend Authorizing Purchase of Maintenance Work Order System.

**Director VanDiver – Aye**  
**Director Cota - Aye**  
**Director Kim – Absent**

**Vote: Unanimous**

**AYES: 2**

**NAYS: 0**

**ABSTENTIONS: 0**

**6. Staff Updates:**

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

- CFO Mattix compared the Corporation's February financial performance to the March financial performance:
  - In February, the Corporation hosted six events: two corporate events and four trade shows.
  - In March the Corporation hosted seven events –three trade shows and four smaller events.
  - February yielded revenue for the month of \$5.5 million and March yielded revenue of \$4.1 million.
  - Although the center hosted more events in March, the make-up of events caused the center to yield more revenue in February.
  - Staff have been working closely with SDTA to review the right composition of business for the Center to determine who (internal partners, hotels, the Corporation, etc.) is benefitting from the type of business booked, whether there is a positive regional impact and whether we should seek alternate business if an event doesn't appear to be beneficial to our partners as well as the Corporation. Since the Corporation lives on ancillary revenues versus rental income, the team is examining ways to bolster internal partner revenue which in turn has a positive impact on the Corporation's bottom line.
- Personnel costs are starting to be near budget and forecast which means that positions are being filled. H.R. has done an amazing job on the talent acquisition front. There is still some staff attrition; however, it has stabilized.
- Repair and Maintenance costs may be tracking a little behind, but if you examine the forecast, we are either catching up or we intentionally placed costs into next year's budget.
- Ms. Mattix further reported that the balance of expenses is pretty much on track for forecast.

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

- Mr. Rippetoe reported that SDTA will join the SDCCC team for the EDI&R presentation to City Council on May 17, 2023.

- Occupancy and rates are holding for the hotels. Some of the hotels have been seeing leisure travel decline, but they believe it is more weather related than related to the economy.
- The airport is busy, which is a positive sign, and the TMD budget approval process is also scheduled to go before the City Council.
- Twitch-Con will be returning to San Diego and there have been conversations about how the Center makes room for this event. The Center needed to have flexibility and some support help from the TMD to assist with Twitch-Con and the support issue has been approved by the TMD. The Center will be actively working with current scheduled events to make room for Twitch-Con in coming years. If the Center can get tech-heavy events to commit to a regular annual rotation, it will greatly benefit the Center's ancillary services bottom line.
- The Center continues to be customer focused and is in the process of recruiting a General Manager. More information will be forthcoming as the process continues.
- Please calendar the PCMA annual meeting which will take place at the Center January 7-10, 2023. The PCMA attendees are the top tier meeting planners for the convention industry and this meeting is an excellent opportunity for the Board to learn more about the industry.
- The Center's employee Town Halls for the quarter take place tomorrow at 10:30 a.m., 3:30 p.m. and 11:00 p.m. in Room 23 ABC. Directors are welcome to attend.
- The Committee also discussed the decline in digital signage revenue and Ms. Mattix provided an update regarding the contractor's new signage acquisitions for installation in the center and she also reported that staff will be working with the contractor to determine if there is any way the Corporation can assist with increasing digital signage sales to customers.

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 2:38 p.m.

### CERTIFICATION

I, Shawn VanDiver, 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 April 24, 2023.

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Shawn VanDiver, Chair

## Agenda Item 3

### MINUTES

#### SAN DIEGO CONVENTION CENTER CORPORATION BUDGET COMMITTEE OF THE BOARD OF DIRECTORS COMMITTEE MEETING OF JUNE 21, 2023

**BOARD MEMBERS PRESENT:** Chair Shawn VanDiver and Director Carol Kim

**BOARD MEMBERS ABSENT:** Director Carlos Cota

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

**ALSO PRESENT:** Jennifer Lyon, General Counsel

1. **Call to Order:** Chair Shawn VanDiver reported the meeting start-time would be delayed by approximately ten minutes due to a lack of a quorum of Directors. Chair VanDiver reported the meeting would start at 11:10 a.m. and he apologized for the delay.

Chair VanDiver called the meeting to order at 11:12 a.m. in the Executive Conference Room of the San Diego Convention Center, 111 West Harbor Drive, San Diego, California.

Chair VanDiver announced that since this meeting is being conducted on site with an open line to the public, the first action is to perform a roll call to determine which Board members are present on this call:

Director VanDiver– Present  
Director Cota - Absent  
Director Kim – Present

Chair VanDiver reported that all Directors were present except Director Cota, and that all votes would be recorded via roll-call vote.

2. **Non-Agenda Public Comment:** Chair VanDiver requested public comment regarding any non-agenda items.

Ms. Lori Saldaña submitted a speaker’s slip requesting an opportunity to address the Board regarding Agenda Item (2), and she was granted an opportunity to address her comments to the Board.

**3. Approval of Minutes of April 24, 2023, Budget Committee Meeting:**

Director Kim noted she was absent from the April 24, 2023, Budget Committee meeting and, given Director Cota’s absence from today’s meeting, she requested that approval of the minutes from the April 24, 2023, meeting be deferred to the next scheduled Budget Committee meeting. Budget Chair VanDiver agreed to the request.

**4. Chair’s Report:** Chair VanDiver reported he was very proud of the budget that was put together this year and he was very proud of the work that the Convention Center team has done. The work is very reflective of both Board Chair Cota’s and the Board’s vision that we invest in our aging building to make sure that it is a good place for tourists and business visitors alike to enjoy all of the fruits that San Diego has to offer, and he was just grateful for all of the team’s service.

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

**A. Recommendation to Authorize Approval of Carpet Purchase and Installation Costs**

Chair VanDiver called for a staff report regarding this item. After staff submitted its report, Chair VanDiver 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.

**After presentations by staff, Directors Kim and VanDiver moved and seconded, respectively, to recommend Authorizing Approval of Carpet Purchase and Installation Costs.**

**Director VanDiver– Aye  
Director Cota - Absent  
Director Kim – Aye**

**Vote: Unanimous**

**AYES: 2**

**NAYS: 0**

**ABSTENTIONS: 0**



**B. Recommendation to Authorize Ratification of Chiller Rental and Chiller Repair Costs**

Chair VanDiver called for a staff report regarding this item. After staff submitted its report, Chair VanDiver inquired if any member of the public wished to comment on Agenda Item 5.B.

Ms. Lori Saldaña submitted a speaker’s slip requesting an opportunity to address the Board regarding Agenda Item (5B) and she was granted an opportunity to address her comments to the Board.

**After presentations by staff, and comments from the public, Directors Kim and VanDiver moved and seconded, respectively, to recommend Authorizing Ratification of Chiller Rental and Chiller Repair Costs.**

**Director VanDiver – Aye  
Director Cota - Absent  
Director Kim – Aye**

**Vote: Unanimous**

**AYES: 2                                      NAYS: 0                                      ABSTENTIONS: 0**

**C. Recommendation to Authorize Ratification of Rental Cost for Temporary Generator for Emergency Backup and Cost of West Generator Repair**

Chair VanDiver called for a staff report regarding this item. After staff submitted its report, Chair VanDiver inquired if any member of the public wished to comment on Agenda Item 5.C.

Ms. Lori Saldaña submitted a speaker’s slip requesting an opportunity to address the Board regarding Agenda Item (5C) and she was granted an opportunity to address her comments to the Board.

**After presentations by staff, and comments from the public, Directors Kim and VanDiver moved and seconded, respectively, to recommend Authorizing Ratification of Rental Cost for Temporary Generator for Emergency Backup and Cost of West Generator Repair.**

**Director VanDiver – Aye  
Director Cota - Absent  
Director Kim – Aye**

**Vote: Unanimous**

**AYES: 2**

**NAYS: 0**

**ABSTENTIONS: 0**

**6. Staff Updates:**

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

- Ms. Mattix welcomed the Corporation's new Controller, Shannon Teem, who started two weeks ago.
- Staff has not finalized the April financial statements, but a cursory review shows that the month of April performed much better than budgeted primarily because that is the month the Corporation recognized the Dream Hack event. Although the budget did account for an event to take place, the Dream Hack event was a larger and different style of event than projected by the budget. Revenues came in higher than anticipated by the budget.
- As far as producing the April financial statements, staff has been working with a financial consultant to implement a business intelligence reporting tool. The implementation of the reporting tool is moving forward more quickly than originally planned and staff has almost completed the reports. The reports will look a little different than previous reports, but staff is excited about the new reporting tool. Staff has held off on distribution of the reports until final testing of the system is completed. It is possible the reports will be completed by Monday, if they are not completed, staff will distribute the financial reports in the previous format and will introduce the new format with the May monthly reports.

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

- Mr. Rippetoe reported that the staff is in the process of planning for the summer full occupancy season and the results will be reflected in future reports.
- For the next ten days, Mr. Rippetoe will be taking personal time off and during his absence, per policy and bylaws, delegation of authority will flow to Ms. Mattix as CFO and then to Mr. Albright as COO.

After submission of CFO and President & CEO reports, Chair VanDiver inquired if any member of the public wished to comment on Agenda Item 6.

Ms. Lori Saldaña submitted a speaker's slip requesting an opportunity to address the Board regarding Agenda Item (6) and she was granted an opportunity to address her comments to the Board.

**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)]: Director Kim stated that it looks like the Corporation’s meetings and events are doing better than we had hoped for and she appreciated CFO Mattix’s diligence and hard work. Chair VanDiver concurred with Director Kim’s comments.

There being no further business, the meeting adjourned at 11:37 p.m.

**CERTIFICATION**

I, Shawn VanDiver, 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 21, 2023.

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Shawn VanDiver, Chair

**Agenda Item 5.A and 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 August 14, 2023

**RE:** Recommendation to Authorize to Purchase West Kitchen Equipment  
Recommendation to Authorize Contract for West Kitchen Construction

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**BACKGROUND**

The San Diego Convention Center features two primary kitchens to support food and beverage operations. Currently, the east kitchen is the only full-service kitchen. The west kitchen is beyond its useful life, requires code compliance updates, and is restricted to limited use until modernized. In October 2022, Staff engaged Lahaina Architects to redesign the west kitchen to become a full-service kitchen. The resulting remodel is budgeted in the FY24 CIP budget.

**DISCUSSION – AGENDA ITEM 5.A WEST KITCHEN EQUIPMENT PURCHASE**

Staff issued a request for proposals with the specified kitchen equipment list. Staff received two (2) proposals:

<b>Bidder</b>	<b>Cost</b>
Economy Restaurant Equipment & Supply Co.	\$2,141,848.87
San Diego Restaurant Supply	\$1,823,311.38

Bidder evaluation was based on a best value determination using the following criteria: Cost 80%, Comparable Accounts 10%, and Lead Times 10%. An evaluation committee was formed and determined San Diego Restaurant Supply to be the best value vendor.

Staff recommends awarding a purchase order to San Diego Restaurant Supply with a not to exceed budget of \$2,005,642.52, inclusive of a 10% contingency allowance.

**DISCUSSION – AGENDA ITEM 5.B WEST KITCHEN CONSTRUCTION**

Staff issued a request for proposals from qualified contractors to provide construction services to remodel the west kitchen. Staff received three (3) proposals:



**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 August 14, 2023

**RE:** Recommendation to Authorize Contract for Central Plant Design

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**BACKGROUND**

The San Diego Convention Center’s central plant is responsible for maintaining heating, ventilation, and air conditioning (HVAC) systems to provide thermal comfort to all occupants and support necessary building infrastructure. The central plant is comprised of boilers, chillers, cooling towers, water heaters, and various pumps, tanks, and equipment. Most of the central plant is already at, or nearing, the end of useful life expectancy.

**DISCUSSION**

Staff issued a request for proposals from qualified firms to conduct design and engineering services to redesign the central plant. Staff received six (6) proposals:

<b>Bidder</b>	<b>Cost</b>
Bender Dean	\$761,202.50
HMC Architects	\$2,038,000.00
MA Engineering	\$481,550.00
ME Engineers	\$877,500.00
P2S	\$1,457,700.00
SC Engineers	\$1,055,550.00

Bidder evaluation was based on a best value determination using the following criteria: Price 40%, Comparable Projects 20%, Sample Work Product 10%, Proposed Project Schedule & Methodology 10%, Company Resume 10%, and Shortlist Interview (if shortlisted) 10%. An evaluation committee was formed and determined SC Engineers to be the best value firm.

Staff recommends awarding a contract to SC Engineers with a not to exceed project budget of \$1,161,105.00, inclusive of a 10% contingency allowance for unforeseen conditions.

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STAFF RECOMMENDATION

Recommend of approval of authorization to contract with SC Engineers for central plant redesign with a budget not to exceed \$1,161,105.00.

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