

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY
BOARD OF COMMISSIONERS
FINANCE COMMITTEE MEETING**

February 22, 2005

A meeting of the Finance Committee of the Rhode Island Convention Center Authority Board of Commissioners was held on February 22, 2005 at 3:00 p.m. pursuant to notice at the Rhode Island Convention Center Boardroom, One Sabin Street, Providence, Rhode Island

Board members present were Committee Chairman, Joe Judge, Commissioners Jerry Massa and David A. Duffy.

Also in attendance, Jim McCarvil, Ken Mancuso and Theodore Przybyla RICCA; Harry Jones, Casey Crowley and Rob Morgan, Westin Providence; Tim Muldoon, Debbie Tuton and Doreen Bolster SMG/RICC; Grant Jaber, Walker Parking Consultants and Bruce Leach, Legal Counsel.

Chairman Judge called the meeting to order at 3:05 p.m.

Chairman Judge advised the committee that the next meeting would be on March 29 at 3:00 p.m.

Noting the minutes of the previous meeting had been distributed; Chairman Judge entertained a motion to approve the minutes as distributed.

Upon a motion duly made by Mr. Duffy and seconded by Mr. Massa it was unanimously

VOTED: to approve the minutes as distributed.

Chairman Judge recognized Rob Morgan, General Manager of the Westin, who proceeded to brief the committee on the distributed financial report. Mr. Morgan was asked about the current status of staff levels and the impact of the pending sale on staff. Mr. Morgan indicated that Starwood would delay transferring critical employees from the Providence Westin as long as possible. He cautioned the committee that the failure to consummate a Purchase & Sale agreement was preventing Starwood from allowing the Procaccianti Group from talking with staff regarding possible positions. He hoped that the Purchase and Sales Agreement would be signed soon so that employees could be briefed on employment opportunities with the buyer. Mr. Morgan reiterated the hotel was expected to perform to budget expectations for the remainder of the fiscal year, with strong months in the fourth quarter of fiscal year 2005. Mr. Morgan advised the committee that he has attempted to reassure some local corporate clients as to the ability of the new buyers to maintain the same level of service as they currently enjoyed. He further noted that a few pieces of business had been lost to the Biltmore because of the pending sale.

Chairman Judge recognized Mr. Muldoon, General Manager of the Convention Center, who briefed the committee on the January operating results. Chairman Duffy noting the increase in indirect expenses asked Mr. Muldoon to explain the noted increases. Mr. Muldoon confirmed that the indirect expenses were up, but he would need to discuss the specifics with staff and provide detail to the committee after these discussions.

Chairman Judge asked if there was any other matter to be discussed. Mr. Przybyla advised the committee that he recommended the committee consider retaining LGC&D for a one year extension of the audit contract. LGC&D had completed the last year of a three year engagement, but the extraordinary sale of the hotel, warranted the extension of their engagement. LGC&D's experience would enable them to provide needed additional services during the closing. Also, their familiarity with the organization would enable them to complete the audit engagement more efficiently. The committee was further advised that Frank Champi had confirmed that the firm would be willing to conduct the audit for the same fee as proposed for in FY 04.

Mr. Przybyla noted that the extension was subject to the approval of the Auditor General and Director of Administration. Mr. Przybyla was directed to request the needed approvals and advise the committee of the status of the requests at the next meeting.

Chairman Judge noting no further business entertained a motion to adjourn.

Upon a motion duly made by Mr. Massa and seconded by Mr. Duffy it was unanimously

VOTED: to adjourn at 3:25 p.m.