

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

April 26, 2005

A meeting of the Finance Committee of the Rhode Island Convention Center Authority Board of Commissioners was held on April 26, 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, Dale Venturini and David A. Duffy.

Also in attendance, Jim McCarvill and Theodore Przybyla, RICCA; Jeff Hartel, Westin Providence; Tim Muldoon, and Debbie Tuton, SMG/RICC and Harry Jones, Project Consultant.

Chairman Judge called the meeting to order at 3:00 P.M.

Noting the minutes had been distributed, Mr. Judge entertained a motion to approve.

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

VOTED: to approve the minutes as distributed.

The Committee was advised that the next meeting would be held on May 17 at 3:00PM.

Chairman Judge recognized Mr. Jeff Hartel, Controller of the Westin Hotel, and thanked him for his efforts during his tenure at the hotel. Chairman Judge noting Mr. Hartel's brief service with the hotel because of the pending sale, acknowledged Mr. Hartel's contribution to the sale effort and the successful hotel performance during the past several months. Mr. Hartel briefed the committee on the highlights of the distributed hotel financial reports for the month of March which were significantly negative to budget and to prior year, principally due to Easter falling in March as opposed to April. He further noted that the hotel's projections for April are on track and strong for the remainder of the fiscal year.

Hearing no further comments, Chairman Judge recognized Mr. Tim Muldoon, General Manager of the Convention Center operations, who proceeded to brief the committee on the March and year to date operating performance of the convention center operations. Mr. Muldoon noted that the March performance was down from last year's actual, but tracking close to fiscal year 2005 budget forecasts. He advised the committee that the fourth quarter projections continue to track on budget and it was his expectation to achieve the fiscal year 2005 budget projections. Chairman Duffy questioned the increase in indirect costs. Mr. Muldoon advised the committee that he and staff were working on controlling indirect costs and attributed

the increase to food, building and parking labor costs. Mr. Przybyla noted that there was no corresponding increase to revenues and therefore the additional costs were adversely impacting the convention center operations net profit. Flow through is not materializing at acceptable levels. He further voiced his opinion that, in the future, the committee needed to monitor indirect cost variances more carefully because of the lack of offset previously contributed by hotel operations. The changing dynamics of the operations, due to the divestiture of the hotel operations, will significantly change cash flow patterns and the need to closely scrutinize variances in indirect costs.

Mr. Przybyla advised the committee that the hotel sale and resulting defeasance of the bonds will be completed by mid May. At that time he would be able to reforecast the fiscal year 2005 projections. He indicated that he was cautiously optimistic that the fiscal year 2005 budget commitment to the State of Rhode Island would be met.

Hearing no further business, Chairman Judge entertained a motion to adjourn.

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

VOTED: To adjourn at 3:55 P.M.