

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

September 28, 2005

A meeting of the Finance Committee of the Rhode Island Convention Center Authority Board of Commissioners was held on September 28, 2005 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, RICCA; Tim Muldoon and Debbie Tuton and Julian Raveneau, SMG/RICC, and Eileen Smith, Recording Secretary.

Chairman Judge called the meeting to order at 3:018 P.M.

Noting minutes of the June meeting 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 August 23rd at a time to be determined.

Chairman Judge recognized Mr. Tim Muldoon. Mr. Muldoon introduced Julian Raveneau, the newly appointed Director of Finance for the Convention Center. The Committee welcomed Mr. Raveneau and congratulated him on his promotion.

Mr. Muldoon reported that Fiscal Year 2005 had been a great year. Mr. Muldoon reported that year end combined revenue had increased by \$728,040 or 6% with variable costs increasing by 7%. He continued that combined variable costs have increased due to increases in food and labor costs for catering and concession events, convention center and parking labor costs. Combined indirect expenses have increased by 4.5% mainly attributable to utilities, advertising, payroll and other contracted services. Mr. Muldoon said that net income had tracked higher than prior year actual by \$188,481 and is also tracking higher to budget by \$518,260 mainly attributable to services billed, ancillary services, transient parking, monthly parking and event parking, all showing favorable variances to actual. Mr. Muldoon said that parking revenue increased by \$15,310 in comparison to June, 2004.

Mr. Judge asked if there had been any affect of the ballroom being out of service for a while and Mr. Muldoon responded that they had worked around the renovations as much as possible but that there

had been some insignificant interruptions.

Mr. Judge thanked Mr. Muldoon for his report. Mr. Muldoon noted that he expects next year to be even better.

Mr. Judge asked if the fiscal year 2006 budget would have to be re-worked because of the Dunkin Donuts Center. Mr. Muldoon said that he was trying to obtain the Dunkin Donuts Center budget. Mr. McCarvill said that he has asked Mr. Muldoon to plug in the numbers as of October 1st without renovations or changes to the operating structure. Mr. McCarvill stated that we will lose a substantial amount of money at the Dunk before things get better post renovation and reorganization.

Mr. Duffy departed at 3:30 p.m.

Mr. McCarvill noted that when the 2005 budget had been prepared we thought that the Vatican Exhibit would be at the Convention Center and that in light of that event not materializing the results were good. Mr. Muldoon said that the Convention Center had made up substantial ground due to the increase in short term bookings.

Mr. Judge asked Mr. Raveneau to explain the small reserve for bad debt on the budget. Mr. Raveneau noted that any events booked are fully paid before the event and a minimum amount for food and beverage is collected. Mr. Muldoon noted that there is sometimes a

discount on rent tied to actual food and beverage spending. Mr. Judge stated therefore, most of the revenue stream is secure.

Mr. McCarvill reported that an RFP for underwriter services in anticipation of the sale of bonds had been advertised on the State Web Site and in the Providence Journal. Responses are due back on August 5, 2005.

Mr. McCarvill noted that he had spoken via conference call with Norm Benoit and Maureen Gurghigian regarding an additional proposal on the 1993 Series C refunding from Merrill Lynch. Mr. McCarvill stated that he had spoken with Rosemary at the Budget Office who was not enthusiastic about more variable debt and suggested that we do a plain refunding. Mr. McCarvill stated that the refunding will be done according to Ms. Galogoly's instructions. Mr. Massa noted that Merrill Lynch was aggressive in putting a package together. Mr. Judge said that they were giving other options but the Budget Office was more comfortable with a plain vanilla refunding. He continued that the Authority had brought all parties into the decision making process.

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

VOTED: to adjourn at 3:40 p.m.