

AMENDED

THE RHODE ISLAND CONVENTION CENTER AUTHORITY 307th MEETING OF THE BOARD OF COMMISSIONERS July 26, 2007

A meeting of the Board of Commissioners of the Rhode Island Convention Center Authority (hereinafter referred to as "Authority", the "CCA" or the "Board") was held on July 26, 2007 at 9:00 a.m. pursuant to notice, at the Rhode Island Convention Center Boardroom, One Sabin Street, Providence, Rhode Island.

Board members present were Chairman, David A. Duffy, Commissioners, Paul MacDonald, Jeff Hirsh, George Nee, Patrick Butler, Dale Venturini, Marianne Corr and Dave Gavitt.

Mr. Fowler and Mr. Buonannowere unable to attend.

Also present were James P. McCarvill, Executive Director, Betty Sullivan, Ken Mancuso, Kerrie Bennett and Emily Moschet, Rhode Island Convention Center Authority; Bruce Leach, Legal Counsel; Neil Schriever and Martha Sheridan, PWCVB; Tim Muldoon, John McGinn and Debbie Tuton, SMG/RICC; Larry Lepore, Cheryl Schadone, Eleanor SanAntonio and Kym Chevia, SMG/DDC; Steve Duvel and Larry Bacher, Gilbane; Eric Ahlborg, O Ahlborg; Bob Bromley, Senate Fiscal and Senate Oversight; Sharon Reynolds and Chantale Sarrasin, House Fiscal; Bill Gugliette, House of Representatives; Ben Gedan, Projo, and Eileen Smith, Recording

Secretary. CALL TO ORDER

Recognizing a quorum, Chairman Duffy called the meeting to order at 9:05 a.m.

APPROVAL OF MINUTES

Chairman Duffy entertained a motion to accept the minutes of the 306th meeting, June, 2007. Upon a motion duly made by Mr. MacDonald and seconded by Mr. Butler it was unanimously VOTED: to approve the minutes as distributed

Chairman Duffy instructed the Authority office to send the approved minutes to the Secretary of State's Office via electronic mail.

Chairman Duffy asked Mr. McCarvill to present the consolidated financial review. Mr. McCarvill stated that Net Income for the period of \$174,000 was positive \$525,350 to budget and \$1,974,502 to the prior year. Year to Date consolidated Net Income was positive \$621,000 to budget and negative \$818,000 to the prior year. For the period the Convention Center was \$123,023 negative to budget and negative \$234,000 to prior year. Year to Date the Convention Center was \$693,000 positive to budget and \$426,000 to the prior year. Mr. McCarvill reported that the Convention Center had a terrific year and congratulated Mr. Muldoon and his staff. Mr. McCarvill continued that the Dunkin' Donuts Center was positive \$98,000 to budget for the period and positive \$196,000 to the prior year. Year to Date the

Dunkin' Donuts Center was positive \$277,000 to budget and negative \$395,000 to the prior year. Mr. Duffy congratulated Mr. Muldoon on a great year. Ms. Venturini noted that the collaboration with our partners is working well. Ms. Bennett distributed a press release (attached) announcing the Convention Center's record breaking revenues. Mr. Duffy noted that Ms. Schadone and Mr. Lepore had increased the number of events over the previous year even though they had an abbreviated season. Chairman Duffy thanked everyone for their hard work and cooperative effort during this phase of construction.

DUNKIN' DONUTS CENTER

Mr. Gavitt reported that the Dunkin' Donuts Center Committee had met on Tuesday. He noted that Steve Duethman and Bill Gilbane had attended the meeting. Mr. Gavitt asked Mr. Duvel to address the Board. Mr. Duvel reported that the number of workers would peak next month to 250. He said that there are 200 workers at the present time. Mr. Duvel noted that the sub-contractors are responding to the schedule. Mr. Duvel reported that the brick on the South side will be complete next week and work continues in the food court area. Mr. Duvel noted that the locker rooms are now much larger. Mr. Bacher distributed a report on the project status that included potential additional costs. Mr. Bacher noted that continues without final approval from National Grid of the electrical vault configuration and also final approval from the State Fire Marshall of the fire alarm

design. Mr. Bacher stated that we believe that we are in compliance with Rhode Island Fire Code but we do not have the Fire Marshall's sign off. Mr. Bacher noted that the Fire Marshall has many fire systems to review and is a very busy person. Mr. Bacher stated that the new elevator would not be operational for the season opening. He said that access to the suites would be from the service elevators. Mr. Bacher said that the suites would be ready on New Year's Day for the Providence College Basketball game. Mr. Nee asked if any issues with the fire code were expected. Mr. Bacher stated that he has yet to complete a project that the Fire Marshall did not have additional requests. He continued that Rhode Island has the toughest fire code in the nation. Mr. Duffy said that we are glad that we will be the safest facility. Mr. Bacher explained the Potential Additional Costs. Mr. Duffy reminded Mr. Bacher that we want to be kept up to date on what is going on. Mr. Nee thanked Mr. Bacher for the Dunk Changes in Process and noted that this is what the Board wants to see in order to be more informed about change orders. Mr. Bacher noted that the bids for the seats came in lower than budgeted. Mr. MacDonald had some questions on the Potential Additional Costs and asked if Gilbane was trying to make us feel better with \$4 and \$8 items. Mr. Bacher explained that they wanted the Board to be aware of everything that makes up a change he also noted that the description ASI is a catch all category. Mr. Gavitt asked where Ellerbe plugs in with things like seats. Mr. Bacher stated that Ellerbe had prepared the bid documents and specs and would participate in the interview process. Mr. McCarvill noted that we have seen an improvement in

turn around time from Ellerbe regarding change orders. Mr. Duffy said that it appears that they are listening and that very little is left to be designed. Mr. Bacher noted that the risk of major design changes will be substantially reduced after November. Mr. McCarvill explained the Project Cost Estimates as of June 30, 2007 prepared by Betty Sullivan.

Mr. Duffy asked our Owner's Rep. To address the Board. Mr. Ahlborg reported that right now we are under budget by approximately two million. He said that the Board's concern is warranted and that everything is being challenged by his crew. Mr. Ahlborg noted that items that we can live without for the time being are being eliminated. Mr. Ahlborg also commented that questions are being answered by Ellerbe in a timely manner and that Ellerbe is doing a better job. Mr. Ahlborg stated that since demolition is nearly complete there would be fewer unexpected costs. Mr. Butler said that he would be pleased to have fewer surprises in the coming months. Mr. Gavitt said that his advice would be to stay away from slabs. He said that we have found everything except Jimmy Hoffa under the slabs.

Mr. Gavitt asked Mr. Lepore to give an update on operations. Mr. Lepore reported that he had attended a conference in Salt Lake City and there was a great deal of buzz in the industry about our renovation. Mr. Lepore discussed the success that we have in Providence with family shows. Mr. Lepore reported that he was looking into uniforms for his staff. He also noted the importance of staffing the concessions and customer service. Mr. MacDonald said

that uniforms are very important to the people that are wearing them. He suggested that representatives from the staff participate in choosing the uniforms. Mr. Lepore was pleased to report that the Party Suites have been sold for the Big East Games. Mr. Butler asked if any thought had been given to vending to patrons in their seats. Mr. Lepore said that he was looking at it.

CONVENTION CENTER COMMITTEE

Ms. Corr reported that the Convention Center Committee had also met on Tuesday. She asked Mr. Muldoon to address the Board. Mr. Muldoon was pleased to report phenomenal numbers for the Convention Center for the year. He noted that high end pieces of business and the ancillary revenue associated with it made for a very good year. Mr. Muldoon said that although rent was flat, parking and food and beverage numbers contributed to an 18% increase in Fiscal Year 2007 over Fiscal Year 2006. Mr. Muldoon said that our aggressive approach is paying off. Mr. Muldoon noted that parking expenses are down because the garage is operating more efficiently. Ms. Corr stated that Mr. Muldoon and his entire staff should be very proud of such a successful year. Mr. MacDonald noted that he was a Board member when Mr. Muldoon was hired and that it is great to see his advancement to General Manager and the wonderful job that he is doing. Mr. Nee asked what Mr. Muldoon sees as his biggest challenge. Mr. Muldoon said that fitting groups into the available time and trying to fill off times and dates. Ms. Corr thanked Mr. Muldoon.

MARKETING COMMITTEE

Ms. Venturini reported that the Marketing Committee would meet on August 28th at 1:00 p.m. at which time Marketing Plans would be submitted from the CVB, Dunkin' Donuts Center and the Convention Center. Mr. Duffy asked that an attempt be made to attend the committee meetings. He said that it was a close call for a quorum for Tuesday's meetings and a great deal is discussed at the committee level.

Martha Sheridan reported that the CVB's room night goal was 98,200 for fiscal 2007 and the number was surpassed by 8%. Ms. Sheridan noted that team work is very important and the team is working well together. Ms. Sheridan reported that the CVB's web site is in the process of being revised. She also reported that customer services training sessions are on-going. She said that the first part of the session deals with customer service followed by a discussion of the destination. Ms. Sheridan reported that the wayfinding photos are ready to be discussed with the City Planning Department.

Ms. Venturini asked Mr. Schriever to address the Board. Mr. Schriever stated that the staffs of the complex have been working well with the CVB. He noted that they travel together and promote the destination as a team. Mr. Schriever noted that John Gibbons has had success in attracting sporting events to the City and we can

expect an announcement of a large piece of business soon.

Mr. Muloon noted at the convention in Salt Lake City there was a session on working together with the CVB. He commented that it was all the things that we have been doing all along. Mr. Muldoon reported that this year's Festival of Trees will have a new designer with new ideas. The Providence Rotary through John McGinn will partner with the Convention Center to make this a great event.

Ms. Schadone reported that marketing has changed drastically over the last few years. She said that technology is the key. E-marketing, blogs on Myspace and Utube are the ways to reach today's ticket buyer. Ms. Schadone noted that there has been a great deal of interest in the party suites.

AUDIT COMMITTEE

Mr. Hirsh reported that the Audit Committee had met on Tuesday. He said that the audit was running smoothly and should be submitted on time.

Chairman Duffy reported that we had received a letter from Mayor Cicilline reappointing Mr. MacDonald. Mr. Duffy reminded the Board that advice and consent of the Senate is now needed even for those not appointed by the Governor. Upon a motion duly made by Mr. Nee and seconded by Mr. MacDonald it was unanimously

VOTED: to adjourn at 10:35 a.m.