

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 320th MEETING OF THE BOARD OF COMMISSIONERS September 25, 2008**  
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 September 25, 2008 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, Jeff Hirsh, Patrick Butler, Dale Venturini, Dave Gavitt, Bernie Buonanno, George Nee, Bill Daugherty, Jason Fowler and Paul MacDonald.

Also present were James P. McCarvill, Executive Director, Betty Sullivan, Ken Mancuso and Kerrie Bennett, Rhode Island Convention Center Authority; Bruce Leach, Legal Counsel; Tim Muldoon, Deb Tuton, Kathy Masino and Nancy Beauchamp, SMG/RICC; Larry Lepore, Cheryl Cohen, Kym Chevian, Lisa Coelho, Jodi Dudos and Eleanor SanAntonio, SMG/DDC; Martha Sheridan and Neil Schriever, PWCVB; Larry Bacher, Gilbane; Eric Ahlborg, ABM; Tom Crocker, Sportservice; Kevin Madigan, Senate Fiscal Office; Steve Hahl, VMA; Letitia Carter, Guest; Frank Champi, Susan Johnson and Michael Crowley, LGC&D and Eileen Smith, Recording Secretary. **CALL TO ORDER**

Recognizing a quorum, Chairman Duffy called the meeting to order at

**9:03 a.m.**

## **APPROVAL OF MINUTES**

**Chairman Duffy entertained a motion to accept the minutes of the 319th meeting, August, 2008. Upon a motion duly made by Ms. Venturini and seconded by Mr. Daugherty it was unanimously VOTED: to approve the minutes as distributed**

**Mr. Duffy announced that the next meeting would be held on October 30th at 9:00 AM.**

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

**Mr. Duffy introduced Letitia Carter a former member of the VMAF. Mr. Duffy said that since Ms. Carter has experience with the VMA he would be recommending her to the Governor assume Marianne Corr's commission on the Authority Board.**

**Mr. Duffy asked Mr. McCarvill to present the consolidated financial review. Mr. McCarvill reported that for the month of August, Convention Center net income was \$11,443 to budget but (162,384) to the prior year. Mr. McCarvill noted that the favorable variance in net income for the month was the result of an increased number of events and related food & beverage. Mr. McCarvill noted that Year to Date Net Income was (37,970) to budget and (\$127,918) to the previous year. He said that the unfavorable variance was the result of**

event assumptions that were made but did not occur primarily in parking and ancillary income. Mr. McCarvill reported that for the month of August the Dunkin' Donuts Center net income was \$13,345 to budget and (\$72,263) to the prior year. Mr. McCarvill noted that the positive variance to budget was the result of better than anticipated Ticketmaster rebates and the reduced costs in finance, marketing and computer expense. Mr. McCarvill stated that Year to Date Net Income was \$102,028 to budget and (\$70,870) to the previous year. He said that ticket rebates are generating ancillary income that would not normally occur during construction and are the result of the number of events that are on sale. Mr. McCarvill reported that net income for the Convention Center Authority for the month of August was (\$28,455) to budget and (52,402) to the prior year. Year to Date Net Income was (\$23,284) to budget and (\$35,312) to the prior year. Mr. McCarvill stated that consolidated net income for the month of August was (\$3,667) to budget and (287,049) to the prior year. Year to Date Net Income was \$40,775 to budget and (\$234,099) to the prior year. Mr. Duffy asked Mr. McCarvill to update the Board on how we are affected by the market and where we stand. Mr. McCarvill reported that most of our debt is in fixed rate bonds. He said that the bonds were insured by top rated companies. AIG holds the first \$10 million umbrella insurance. Mr. McCarvill noted that our insurance advisors said that we were still in a good position with AIG. Mr. McCarvill said that we are using First Albany as our remarketing agent along with Dexia as liquidity provider and Merrill Lynch as investment banker. All of these companies are under pressure due to

**market conditions. Mr. Duffy assured the Board that we are staying as up to date as possible during these uncertain economic times.**

**Mr. Hirsh reported that the Audit Committee had met on Tuesday. He said that Ms. Johnson and Mr. Crawley gave a great presentation and the Committee had voted to recommend acceptance. Mr. Duffy thanked Ms. Sullivan and the finance team for the hard work and cooperation with the LGC&D. Mr. Fowler also thanked Ms. Sullivan and said that she had done a nice job. Upon a motion duly made by Mr. Butler and seconded by Mr. Buonanno it was unanimously**

**VOTED: to accept the FY 2008 Audit as presented on the condition that it is approved by the Auditor General**

**Mr. McCarvill noted the inclusion in the Board package of a resolution concerning the Authority's retirement plan. He stated the resolution was required by Internal Revenue Code and the Authority's plan has been in compliance with the regulations. Mr. McCarvill asked for a motion to approve. Upon a motion duly made by Mr. Nee and seconded by Mr. Gavitt it was unanimously**

**VOTED: to approve the following resolution**

**The following resolutions were approved by Rhode Island Convention Center Authority (the "Employer") with respect to the adoption of an Amendment to the Rhode Island Convention Center Authority**

**Retirement Plan (the "Plan") to reflect the final regulations under Section 401(m) of the Internal Revenue Code of 1986 that were issued on December 29, 2004 and as good faith compliance with the requirements of the final regulations.**

**RESOLVED: That the Amendment to the Plan be adopted, effective for Plan Years beginning on or after January 1, 2006.**

**RESOLVED: That the appropriate representatives of the Employer are hereby authorized and directed to execute the Amendment and to take any and all actions necessary or appropriate to effectuate the foregoing resolution, including the making and execution of any subsequent changes or amendments to the Plan.**

#### **DUNKIN' DONUTS CENTER**

**Mr. Duffy reported that the Dunkin' Donuts Center Committee had met on Tuesday. Mr. Duffy asked Mr. McCarvill to update the Board on the status of the War Memorial and Public Art. Mr. McCarvill said that we are making some modifications to the lighting design that will save a little work. Mr. McCarvill also said that we could not get the granite that was chosen, therefore a substitute is needed. Mr. McCarvill noted that the new target date is Memorial Day 2009 due to conditions on the site. The new owner has significant work going on and it is not scheduled for completion until February 2009. He said that Veterans Day or Thanksgiving of 2008 is just not feasible. Mr.**

McCarvill noted that the Medal of Honor Wall would be placed in Exeter and that project has been handed over to the Veterans. Mr. MacDonald said that it is important that Veterans be kept informed throughout the process. Mr. McCarvill reported that we should have a decision on the Public Art by November. Mr. Gavitt asked Mr. McCarvill to explain Public Art for those who are not familiar with it. Mr. McCarvill stated that Rhode Island Law calls for 1% of the construction costs be dedicated to Public Art, Mr. Duffy said that there was a bill at the legislature lowering the amount but it went nowhere. Mr. Gavitt asked if the project is limited to Rhode Island artists. Mr. McCarvill said that it is not.

Mr. Duffy asked Mr. Bacher to update the Board on the renovations. Mr. Bacher stated that he is addressing the issue with the seats in row LL. Mr. Bacher said that Track Seating and Gilbane are looking to modify and optimize the space that we have to work with. Mr. Gavitt said that hopefully we will find a solution. Mr. Duffy asked when the project would be completed. Mr. Bacher stated that with the exception of the electrical contractor the building should be complete in November.

Mr. Lepore reported that attendance is down at events all over the Northeast. He noted that acts are canceling shows because of low ticket sales. Mr. Lepore noted that the public is buying tickets to some shows. Disney ticket sales did well but spending in the arena was down. Mr. Lepore said that he is optimistic that Rock the Ink will

draw a crowd to both facilities. Mr. Lepore noted upcoming events, Brad Paisley, New Kids and the Celtics are selling but are not yet sold out. He noted that nothing is doing well anywhere. Mr. Duffy asked if marketing for the events has been stepped up. Mr. Lepore said that marketing is not the issue. He said that the economy is down and people are concerned about spending money. Mr. Fowler asked about the Celtics gate. Mr. Lepore stated that approximately 5,000 tickets have been sold and he is hopeful that we have a good walkup crowd. Mr. Lepore said that we just need to ride this out. Mr. Hirsh reported that Sportservice was missing opportunities in the restaurant. He noted that the staff is not well trained and service is slow. Mr. Hirsh also noted that there is no signage letting people that the restaurant is open for business. Mr. Crocker stated that there were some issues. He said that he was unaware that there would be service on the floor for Earth Wind & Fire and that he had to split the staff to cover that area. Mr. Crocker noted that he had been assigned to the venue recently and vowed to make any necessary changes to assure that service was not an issue. Mr. Hirsh asked about signage. Mr. Crocker said that he would like to see signs in the lobby and near the elevator. Mr. Gavitt noted that a successful restaurant is very important to the image of the facility. Mr. Lepore reported that Sportservice had been concentrating on the grand re-opening. He noted that the food has gotten better and that there have been no complaints from the suites on the food. He said that service is the issue and that Sportservice would work on improvements.

## **CONVENTION CENTER COMMITTEE**

**Mr. Duffy asked Mr. Muldoon to update the Board on operations at the Convention Center. Mr. Muldoon reported that September was a slow month. He noted that the Summer projects have been completed. Mr. Muldoon said that the light bulbs in the ballroom have been changed to more efficient fluorescents and we should see significant savings. Mr. Muldoon reported that we will be getting a sizeable rebate from National Grid. Mr. Muldoon noted that gas and electric contracts for both buildings are now within the same timeframe. He stated that we received a reasonable price and that we are in a better negotiating position with both facilities. Mr. Muldoon reported that parking is down due to fewer construction workers. Mr. Hirsh asked if the Women & Infants event was successful. Mr. Muldoon answered that the luncheon was a great success and that client was pleased. Ms. Venturini noted that she had attended the event and that the food was wonderful and the tables looked magnificent. Mr. Muldoon noted that Kathy Masino had met with the organizers of the Storybook Ball in an attempt to lure the event to the Convention Center. Mr. Muldoon reported that Fidelity was very pleased with the attention that they received for their high level meeting held last week. Mr. Duffy stated that it is important to make a good impression. Mr. Muldoon stated that they have reached a four year agreement with Local 217 HERE and that negotiations with the laborers union began yesterday and that there are not many issues to be decided. Mr. Muldoon said that the electrical contract is coming up soon and that there have been**



**some good conversations with the stagehands. Mr. Nee reported that the employees are good people and will get the job done.**

## **VMA**

**Mr. Daugherty asked Mr. Habl to update the Board on the VMA. Mr. Habl stated that the Narragansett Bay Chorus had performed at the venue and was a very nice event. Mr. Habl said that the Citizenship ceremony held at the VMA is worth attending for anyone that has never witnessed the event. Mr. Habl reported that the Rhode Island Philharmonic had moved in and their Rush Hour Concerts begin on Friday and the official opening is on Saturday. He said that the conductor was pleased with the welcome the Philharmonic received. Mr. Habl said that a new attitude and a lot of elbow grease will go a long way this season. He said that the theater now has an open door policy. Mr. Habl said that tickets can be purchased at 421-ARTS or at the box office and that the web site is up and running. Mr. Gavitt thanked Mr. Habl for doing a great job.**

## **MARKETING COMMITTEE**

**Ms. Venturini reported that the web site development issue was still being discussed. Mr. Gavitt congratulated Ms. Venturini and the Marketing Committee. He said that the Committee has a mission and strives to make these facilities a success.**

**Mr. Muldoon reported that New England Mortgage Bankers had returned to Newport because this year's event was much smaller. Mr. Muldoon was pleased to report that the Convention Center had hosted three good events for the Royal Bank of Scotland. He also reported that the sales staff is talking to a planner for the World of Wheels Custom Car Show. Mr. Duffy asked if any thought has been given to incentivizing sales people. Mr. Fowler said that it is very important and if any ideas are needed he would be pleased to help. Mr. Muldoon said that he would work with SMG Corporate on ways to incentivize. He also stated that a sales retreat would be held next week. Mr. Duffy said that he would like to see a report from the retreat.**

**Ms. Cohen reported that Mr. Lepore had painted a picture of the current arena business. Ms. Cohen stated that New Kids would be playing in five arenas within a 52 mile radius. Ms. Cohen reported that the sales team had gone to Worcester to view the Spirit of America event that will be coming to the Dunkin' Donuts Center next September. She noted that it is an amazing event that will be free to the public. Mr. Duffy asked if there was any business for the Summer. Ms. Cohen noted that Mr. Lepore is talking with Cirque Du Soleil about a Summer date. Ms. Venturini stressed the importance of keeping up our relationship with the media. She said that she appreciates what Ms. Cohen has been able to do in that area.**

**Ms. Sheridan reported that the PWCVB annual audit is complete. Ms.**

**Sheridan also reported that the CVB is working with the City, Dunkin' Donuts Center and the Convention Center on emergency plans. Ms. Sheridan announced that Arthur Robbins and Jim McCarvill would be inducted into the CVB's Hall of Fame at their annual meeting on October 30th at the Convention Center. Ms. Sheridan noted that hotel occupancy for July and August increased by 2% although rate has slipped. She also noted that the meals tax in the City has increased.**

**Mr. Duffy asked if there was any new business. Hearing none he asked for a motion to adjourn. Upon a motion duly made by Mr. Butler and seconded by Mr. Hirsh it was unanimously**

**VOTED: to adjourn at 11:15 AM**